JAPAN: MISTRESS OF THE PACIFIC?

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COLONEL P. T. ETHERTON

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THE "EARS" OF JAPAN'S DEFENDERS

The Emperor of Japan (leading figure) inspecting sound-detectors, designed to reveal the position of approaching enemy aircraft, presented to the Japanese nation by the citizens of Osaka.

JAPAN:

MISTRESS OF THE PACIFIC?

By

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FOREWORD

THE tension between Japan and China, provoked by aggressive action on both sides, and long continued, was responsible during 1932 and the early months of 1933 for a crisis in the Far East which not only constituted the most direct threat to world peace since 1914 and resulted in Japan's withdrawal from the League of Nations, but created a position which will continue to cause concern among the nations having interests in the Pacific for some time to come. The crisis, precipitated by the Japanese occupation of Manchuria, was marked by pressure against Russian interests in that region and coincided with the export "drive" to secure larger foreign markets for Japanese goods which is now engaging the attention of the governments not only of Great Britain and India, but also of those of Europe and the United States of America.

Japan's territorial expansion, giving her a secure foothold on the mainland of Asia, with control over vastly increased supplies of raw materials, and her fight for international markets—facilitated by domination in the Pacific area—have already altered the whole balance of power in the Far East. But for the genesis of the issues thus presented to the League of Nations and the Powers since the autumn of 1931, we must go back to the Washington Conference of 1921/22, a landmark in the diplomatic history of the Far East, which was designed to eliminate old rivalries and prevent new ones from developing, by the maintenance of that *status quo* recently upset by Japanese action.

At Washington, Great Britain, the United States, France, and Japan, the four Powers, apart from Soviet Russia, most deeply concerned with events in the Pacific, realised the necessity of maintaining the balance of power and equal opportunity for all in trade with China. Probably no document dealing with questions of such strategic and political import had ever been concluded as the Naval Treaty signed by the above Powers, and Italy, at the end of that conference.

Now, twelve years later, vital issues must again be faced in the Pacific; issues arising out of Japan's desire for expansion, and the special interests of Britain and the

United States. These issues will need all the wisdom of world statesmen if they are to be peacefully solved. China, with its great and almost untapped natural resources, is the most promising market in the world, and the relative importance of the China trade has been vastly enhanced by the severe restrictions imposed in other markets during recent years.

The power of China to preserve her unity and sovereign independence has been greatly weakened owing to civil war, the growing Communist menace within her own frontiers, maladminstration, and the steady encroachment of Japan. Whereas Britain and the United States stand for the policy of the " Open Door," and equality for all nations in trade and commerce in the Far East, the evidence is only too clear that Japan aims at predominance there.

This challenge to the whole policy on which the peace of the Pacific is based concerns the United States as deeply as the British Empire. But Anglo-American misgivings cover a much wider field, for both have paramount interests in the Pacific—not only in the Far East, but in Australia, New Zealand, and the island possessions of the two Powers.

Manchuria is definitely in Japanese occupation, and, in the absence of direct intervention against her by the Powers, will remain Japanese in all but name. Pursuing the business of empire-building, the Japanese are casting covetous eyes over areas of Northern China rich in those mineral resources which are vital to her national and economic existence.

It has been our endeavour to outline the relative position and interests, and to examine the new balance of power in the Pacific resulting from Japan's actions during the past two years ; to analyse both the present strength and the weakness of the Japanese nation, and so to enable the reader to form a true judgment of her aims and aspirations in that region.

Our acknowledgments are due to the Japanese State Railways, to the Rising Sun Petroleum Company, Ltd., and to the many authorities who have afforded us valuable assistance in the preparation of this work.

P. T. ETHERTON
H. HESSELL TILTMAN

LONDON

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JAPAN: MISTRESS OF THE PACIFIC?

CHAPTER I

THE "BRITAIN OF THE EAST"

IN 1931 the delicately poised balance of power in the Far East, so carefully preserved by the joint efforts of the Great Powers through forty years of change, was dramatically upset by the action of the Japanese army in occupying and virtually annexing the "Three Eastern provinces" of China, known to the world as Manchuria. By that operation, begun on the night of September 18, 1931, and swiftly and methodically completed, despite the efforts of the League of Nations and the concern of the other Powers, an area as large as France and Germany combined has been in fact, if not in form, added to the Japanese Empire.

By the dawn of 1933, despite continuous efforts to attain a settlement which, while recognising Japan's "special rights" in Manchuria, would restore the balance of power thus upset, the world was forced to realise that the attack by Chinese soldiers upon the South Manchurian Railway on that September night in 1931 had made history; and that a new and perilous chapter had been opened in the story of the "Island-Empire" of the East.

Let us see what manner of people are these Japanese who, living in isolation until seventy years ago, are to-day making a sensational bid for the domination of the Pacific and the Far East.

There is probably no country in the world that the traveller approaches with more expectancy than Japan—the rising Power of the Far East, the personification of energy and determination, and a land which to-day is attracting world-wide attention.

As one journeys from Hong Kong or Shanghai, the first glimpse of Japan is afforded as the ship sails into a long and winding inlet among low hills, up a fiord and past precipitous cliffs, rising sheer out of the blue sea, on the summits of which are rolling downs covered with innumerable pine trees. It is a land so verdant and well-wooded that it might easily be mistaken for a corner of Britain. Nor does the resemblance end there. For behind those rolling downs there dwells a people whose unity, energy and patriotism are reminiscent of certain bygone chapters in the story of the other island-empire set down amid the mists of the North Sea.

The similarity which has caused Japan to be called the "Britain of the East" goes deeper than that. Japan, like Britain, must provide for a dense population crowded into a small area. Like Britain, she is dependent upon other countries for raw materials for her factories and much of the food that she consumes. Finally, like Britain, Japan believes that her future is on the sea, and her sure shield the guns of the Imperial navy.

Approaching Nagasaki, the famous port with a population of 200,000, the voyager is met by the living Japan in the shape of the occupants of the dozens of sampans, or rowing boats, which dart around the ship, their single oarsmen dressed exactly as portrayed in the drawings so familiar to the Western world. Those sampans bridge the gulf dividing the Japan that was from the modern Japan which has battled her way into the front rank of world Powers.

Nagasaki is symbolical of that transformation. Here came the Americans in 1853, and by their pertinacity and example roused these islanders from the lethargy which had enveloped them since the dawn of history. When the American naval commander anchored his ships off Nagasaki a different picture unfolded itself, a vista of brown houses with a background of rolling downs. Now, eighty years

later, the transformation is complete. Modern Nagasaki is a typical industrial seaport, with masses of buildings, wharves and docks, forests of chimneys, and the bustle of a Western city. Ships moor alongside the quay just as they do in the London docks; the Japanese stevedore, but for his costume and sallow complexion, might be a docker from Tilbury, and the general environment is anything but Japanese.

Beyond the docks and in the streets the picture is softened, and some of the colour of the East is recaptured as the visitor notices the rickshaw men, the peasants in their blue jackets and trousers, their heads covered with a white cloth. The bullock cart men are there, similarly dressed and with straw slippers, but seeming strangely out of place with the motor car and the lorry which vie more than successfully with them in competition for transport.

There, too, are the women with their dark hair, arranged according to the elaborate fashion peculiar to Japan, with the inevitable fan and the kimono of many colours. So do we feel assured that this is the real Japan, and yet, despite these things, it is not the land as seen in Western imagination.

That Japan does exist, but it must be sought away from industrial seaports like Nagasaki. It is part of the price which that country paid for power and progress, for a leading place in the ranks of the nations, that her towns and cities should have become drab, the streets florid with advertisements, and the shops filled with goods and merchandise emanating from Birmingham and Berlin. The first glimpse might suggest that the Japanese people are highly inartistic; that they lack a distinctive civilisation, and that their land is a mere repetition of what is most tawdry in the West.

Nothing could be further from the truth. It would be as great a mistake to judge Japan and the Japanese from a first impression gained in the streets of one of its cities.

as it would be to pass a definite opinion on England and the English as seen from the London docks. No doubt a Japanese journeying to Britain for the first time would be disappointed when he landed at Liverpool or London not to encounter straight away the ivy-clad ruins of a medieval castle, or to meet the present-day prototype of Doctor Johnson.

It is only when one has come into contact with the Japanese people beyond the coastline, when one gets outside the limit of cities and towns, that the charm of Japan is realised, and it is seen how well the blend of West and East has been brought about to the ever-increasing advantage of the latter.

This blend is aptly epitomised in the sphere of education of which the Imperial University at Tokio is the centre. When you enter this famous institution, you do so through a lacquer gateway into grounds of up-to-date design, altogether a curious but harmonious blend of ancient and modern. Inside modernism is enthroned, the Japanese educational authorities making a profound study of the latest methods, and embodying in their curriculum all that the East and West can offer them. The faculty numbers some of the most distinguished teachers in Japan, and in a country with a great respect for learning there is a keenness and an intellectual average of a high order.

With the attention focussed on the younger generation, and the spread of modern educational theories, a new era of social freedom has dawned for Young Japan. In pre-war days, it was regarded as correct manners to maintain a strict and sober face in company. This was especially the case with the women, who would eat their cakes at tea behind their hands. If one looked at a display of portraits in a photographer's shop-window, one saw rows of young women whose years were all increased by at least ten, the features frozen into masks without expression, in accordance with what was then considered modest. Education,

the advent of the cinema, and the dance band, have changed all that. The Japanese woman now moves freely in the company of others and devotes much time to athletic exercise, perhaps more so than women of the West.

The Japanese woman reads of the world beyond her own shores from the text books in school and college, she develops a cosmopolitan taste, and her interests have a wide range. The newspapers produced up to the minute, the magazines, and the output of literature, are largely responsible for this growing interest in the world.

Both sexes often know, and talk more of, European and American modes and ideas than they do of those of old Japan. Modern athletic sports have developed so rapidly that they occupy most of the waking moments of the younger generation.

The Westernisation of clothes has now gone on so long that in these days most men and women wear their business garb as if to the manner born. The number of women who feel more at home in Western dress than in the picturesque native costume is rapidly increasing. Young women are cutting their hair in long bobs with frizzed ends instead of building it up into oily Ionic capitals and elaborately curved superstructures.

All this outward change is a sign of the mental and physical metamorphosis that has come over Japan. Within comparatively recent years women had no more complex ambitions than those connected with the simple desire to faithfully fulfil the old Confucian precepts—to be subservient to their fathers when girls, to their husbands when married, and to their sons when widows.

The man's task with regard to his womenfolk, who by tradition and common consent counted for little in his life, was to see to it that they strictly obeyed the code. Those ideas have gone by the board. The modern Japanese girl wants a husband who will be a companion, who will go about with her to theatres, to art exhibitions,

and to dances. There is probably as much admiration in Japan for Valentinos as there is in the West. And before they marry, the majority of girls expect to work. They are in demand in shops, department stores, and modern business offices of every kind, with motor bus companies, and in industrial and economic concerns as a whole.

To those who have visited Japan under old, as well as modern, conditions, there is a marked change in the restaurant and café life. The purely Japanese café is unique, but is being rapidly displaced by its modern prototype. Indeed, the cafés are a story in themselves. They are as plentiful in the towns and cities as pillar-boxes in Britain. They may not be as interesting and reminiscent of the life of old Japan, but the old order changeth and the young moderns prefer to sip their coffee and soft drinks in an up-to-date refreshment room rather than in more medieval surroundings.

In the café of to-day the greater part of the attraction to the patron lies in the waitresses who hold themselves ready to sit down at the tables and eat, drink, and make merry and discuss anything from ancient literature to advanced social theories.

They are making it hard for the geisha, and driving those erstwhile entertainers, who formerly supplied the only colour in womanless society, to all sorts of new ideas and expedients. The principal geisha establishments have constructed dancing-halls in their old-fashioned houses, and most geishas have learned the fox-trot and the waltz. Both the café and the geisha house supply a real need in a land that has not yet fully emerged from its feudal attitude towards women.

Each day brings its change. Old customs based on the time-worn theory of extreme inequality in the sexes is breaking down before the altered attitude of youth. There is an eagerness for the best the world can offer in cultural life. Young Japan knows the names of more European



REINFORCEMENTS FOR THE CHINESE "FRONT"
Part of the 6th Division of the Japanese Army at Moji prior to embarkation for Manchuria.

painters of repute, of art, travel, and the drama, than their ancestors knew gods, of what each is particularly famous for, and who in Japan has best caught his style.

To all this we may add that the modern Japanese is a person who goes in for everything he takes up with an eager desire to know the why and the wherefore, and the latest advance in technique connected with it. He practises golf in a roof driving-cage for months before he even goes near the links, and in the meantime acquires the correct clubs and suitings to match. He will stand every day for weeks at the tennis-net hitting balls to perfect a slamming stroke; he swims not for pleasure, but as an exercise and an accomplishment that may some day stand him in good stead. He is, too, making a close study of the art of hiking, and tries out and secures the proper outfit before taking the road.

So far as the rising generation is concerned, one sees the striking contrast of the ancient and modern in a programme of old dances at which the audience will be mostly made up of geishas with their glossy coiffures, white necks, and pillar-like brocade knots. Such a sight, in a modern city, built mainly of reinforced concrete, makes the traveller realise more fully than ever that he is at one and the same time in two entirely different periods. With it is a sub-conscious regret for the age of lost beauty, compensated, however, by the general gain in the bright, the modern, and the cheerful.

If the Japanese are changing, Japan—outside the cities—remains the same. The world learnt from the first travellers how richly nature had endowed the island empire with gems of scenic charm. Those charms remain unspoilt, and with characteristic thoroughness the Japanese are even now contemplating plans for the creation of national parks on a large scale, parks which will rival those of the United States and Canada.

From a combined experience of journeying in more than

fifty countries we can say that few lands compare with Japan for wealth of scenic attractions, and with the world growing smaller every year, and long-distance travel increasing, there is nothing extravagant in Japanese hopes that their tourist industry will increase during the years ahead. Nothing, that is, if one adds the observation that the first essential which the average visitor demands is peace and security.

If the areas intended as national parks represent the ancient Japan—unchanged and unchanging—a survey of modern Tokio reveals another world, that of the modern Japan which has demanded, and received, a leading place in the world's news during the past year, and may well receive even greater prominence in the near future.

Japan is a land of earthquakes—the average number of seismic disturbances recorded at Tokio during the period between 1888 and 1921 being 115 per year. To the accident of nature which ordained that the Japanese should inhabit a land within the Pacific earthquake belt we owe the new Tokio, which came into being after 1923. The reader will recall that in September of that year Japan experienced one of the worst earthquakes ever known, 99,331 lives being lost, and 576,000 buildings and houses destroyed. In that national catastrophe, Tokio and Yokohama were practically wiped off the map, the damage to property amounting to thousands of millions of pounds sterling. The earthquake struck at the very economic and industrial existence of Japan as a great Power; the magnitude of the disaster gripped the imagination of the entire world. It was typical of the psychology of the Japanese that, immediately the first numbing shock was over, the task of reconstruction was put in hand. Of Oriental fatalism such as is found in other parts of Asia there was no sign.

The catastrophe, terrible as it was, had its compensations. It presented an opportunity for the reconstruction of the

capital city and its chief port on modern lines. The scheme was prepared with considerable skill and sagacity, and the work undertaken with vision and energy.

In the days before the earthquake, Tokio was an Oriental city with, here and there, a few Western-style buildings. Antiquated tram-lines coursed noisily through the main streets; it was a city of the East where the Westerner had obtruded and was endeavouring to displace the age-old customs and habits by new.

To-day Tokio is the antithesis of its former self. With its broad streets, lofty and spacious buildings erected by the methods of the West and adapted to resist both fire and earthquake, it is a monument to Japanese tenacity and determination. Many new ideas were introduced. Hygiene was carefully considered in planning the new city. The old wooden bridges were replaced by structures of steel and iron, which, if less picturesque, were certainly better adapted to carry the motor omnibus and the lorry.

Yokohama, first and foremost among the five great ports, was reconstructed so that the volume of its trade increased by fifty per cent.

Wherever fire and earthquake had worked their will new buildings sprang into being, and if towns and cities lost to some extent their beauty and originality, they arose again better able to withstand the earth shocks which are an almost daily occurrence in Japan.

In these cities and the country-side beyond them, inhabiting a group of islands with an area of only 147,593 square miles in extent, live 64 millions of the most virile and forceful race that has ever won its way to the front of the international arena.[1] A race that has linked the energy and enterprise of the West with the ancient heritage which is their especial pride. What is the motive force impelling

[1] The total population of Japan Proper, as shown by the census of October, 1930, was 64,447,724. Adding the three territories of Chosen, Taiwan, and Karafuto, the total population, at that date, was 90,395,041.

Japan to regard it as her destiny to achieve in the Far East what others have accomplished in the West? It is only when the national psychology and mass mind of the teeming millions of present-day Japan are studied that the achievements, the restless energy, and the soaring ambitions of this island-race—of such vital interest to the world to-day—can be understood.

The truism that no nation can attain to greatness in the art of either peace or war without definite moral superiority has been conclusively demonstrated in the case of Japan.

The mere weight of numbers, territorial possessions, vast gold reserves, physical bravery—all are unavailing without the moral factor, that unseen force prompting nations to embark upon and achieve great deeds, and which inculcates extreme loyalty, self-sacrifice and unity from the entire nation.

Behind and above the rise of Japan, and the successes gained by her in war and peace, is a moral force, a belief in destiny, which nothing can shake. This moral force brought the Japanese from obscurity to power; the same impelling power will enable them, should it be necessary, to face unflinchingly sacrifices greater than any in the past. Indeed, the slow and measured progress being made in the policy of national expansion, especially on the mainland of Asia, is sufficient proof that the national unity will be equal to any demands made upon it. The uninitiated may ascribe the campaign of aggression or expansion—the actual term used matters little—to the ambitions of the military party at Tokio, but behind the army stands a united nation conscious of its destiny and determined to fulfil it.

Japan presents to a world torn with dissensions and separated by clashing races, policies and creeds, the truly imposing spectacle of 64 millions of people united in their reverence for the Imperial House, in homage to their own past, and boundless belief in the greatness of

their future destiny. Nothing so impressive as this unity, transcending political parties, class distinctions, and social cleavages, exists in any other country. Whatever Western nations may think of the aspirations or policies pursued by Japanese governments during recent years, the Japanese people know no doubts. If they do not support their country, right or wrong, it is only because they cannot imagine the possibility of their Emperor, the elder statesmen of their land, and the ruling chiefs of their Army and Navy, carrying out an unwise policy, or one against the paramount interests of the homeland and its destiny.

The keynote of the Japanese character is patriotism. Article 1 in Chapter I of the Constitution states that "the Empire of Japan shall be reigned over and governed by a line of emperors unbroken for ages eternal." How well that first law has been observed may be gathered from the fact that the reigning emperor, His Imperial Majesty Hirohito, is the 124th of his line. Further clauses emphasise the powers, unique among modern states, vested in the ruler. The Emperor is "sacred and inviolate"; he convokes the Imperial Diet, opens, closes, and prorogues it, and dissolves the House of Representatives. The Emperor has the supreme command of the Army and Navy, determines the organisation and peace standing of the armed forces, declares war, makes peace, and concludes treaties.

Despite these sweeping powers and the influence which the Emperor exercises over the Japanese people, Prince Ito, one of the framers of the present constitution, thus explained the legal status of the Emperor:

"The sovereign power of reigning over and governing the state is inherited by the Emperor from his ancestors, and by him bequeaths to his posterity. All the different legislative as well as executive powers of State, by means of which he reigns over the country and governs the people,

are united in the Most Exalted Personage, who holds in his hands, as it were, all the ramifying threads of the political life of the country, just as the brain in the human body is the primitive source of all mental activity manifested through the four limbs and different parts of the body."

Before turning to the parliamentary and political system as it exists in modern Japan, and the significant developments in the political sphere during the past year of crisis, reference must be made to another factor in Japanese life which, while sharply distinguishing that race from all others, has promoted national unity.

We refer to the moral code called Bushido, or code of knightly honour. Evolved in days before the Christian era and originally followed mainly by the Samurai, or fighting class, it has spread throughout Japan. It professes no revelations from above, nor can its foundations be traced to any definite source. No statutes have been drawn up to clarify the essentials of its form; it is, in fact, a doctrine which has never been systematised. Yet, next to the Emperor himself, it is the strongest factor in Japanese life and thought making for the unity of the nation.

Bushido ordained particular care of the body, because the body held within it the divine presence, and bearing that canon in mind, every man must have complete control of himself and be able to entirely efface himself in anything concerning the general good and welfare. He must practise self-denial to such an extent and, by close application and attention to the teaching of this remarkable creed, win the highest encomium that could be given and be known as "the man without a me." That briefly sums up the situation as far as Japanese morality is concerned and explains the national unity and cohesion.

Bushido embodies the Japanese ideas of what is right and wrong, and those who transgress the unwritten law incur the condemnation of their fellow men. It does not

necessarily follow that the application of Bushido lea and keeps the Japanese in the path of right and rectitu as it is understood by the world in general. What dc result from its application is the pursuit of a single aim a object and the subduing of self in the process. That why it will be so useful in future aims and ambitions.

In our travels in Japan we have constantly come ir contact with this subconscious force, and as a summary it we cannot do better than quote from a statement writt when the achievements of that country compelled t admiration of the world :

" If we cannot adequately express all that bushido is can say what it is not. Take the average scheme of l of the average society of the West, and bushido as nearly may be represents its exact antithesis. Bushido offers the ideal of poverty instead of wealth, humility in place ostentation, reserve instead of *réclame*, self-sacrifice place of selfishness, the care of the interest of the st rather than that of the individual. Bushido inspi ardent courage and the refusal to turn the back upon enemy ; it looks death calmly in the face, and prefers it ignominy of any kind.

" It teaches submission to authority and the sacrif of all private interests, whether of self or of family, to common weal. It requires its disciples to submit t strict physical and mental discipline, develops a mar spirit, and by developing the virtues of courage, constan fortitude, faithfulness, daring, and self-restraint, off an exalted code of moral principles, not only for the n and warrior, but for men and women in times both peace and of war.

" To the ancients bushido was often the sole form religion, but it has drawn inspiration in later centu from many faiths. The patriotism of indigenous Shintois the stoical philosophy of the Zen sect of Buddhism, asceticism of Brahminism, and the self-abnegation

Christianity, have one and all become embodied, or are gradually becoming embodied, in the unwritten code of ethics of which bushido consists.

"There is no dogma, no infallibility, no priesthood, and no ritual; bushido takes the very best and the very highest of all ancient philosophy and morals and endeavours to embody it in an ordered scheme of life.

"Sixty years ago Japan was a military empire, and the ruling class was that of the samurai. If they consented to the loss of many cherished rights when the modern revival of the nation began, and their consent was in itself a splendid illustration of bushido, they surrendered nothing of their tenets, and while remaining essentially a warrior caste, spread abroad among all classes of the people the code of ethics which had won for them their distinguished position in the past. Some privileges they lost, but they took noble revenge, and set about to level up the nation to their standard instead of themselves falling below it."[1]

Anyone can become a bushi by living up to the high standard thus placed before the nation as the ideal. Personal worth and good citizenship alone are required; birth and wealth count for nothing. Hence it was that when the Japanese government, at the time of the Restoration, sought for a moral code which would promote the unity and strength of the nation, they found it in bushido. A national religion hardly existed; the code of the samurai filled the void and encouraged that union of thought which to-day so dramatically distinguishes Japan from other nations.

Bushido is now regularly taught in the schools, while its hold upon all branches of the armed forces is complete. Every regiment and cadet corps is a rallying point for the propagation of its tenets, and the creed forms an everyday topic of conversation among the higher officers, whose

[1] *The War in the East*, by the Military Correspondent of *The Times*. John Murray, London, 1905.

most earnest desire is to be true to the principles and precepts handed down to them by the samurai.

"The corps of officers in particular acts as a great rallying centre for this school of philosophy, and is always on the watch to promote and extend philosophic and literary culture. Thus, even such apparently trivial questions as whether dancing and music should be permitted for young officers aroused anxious debates. It was decided that dancing was to be deprecated, and that only certain forms and branches of music of a martial and encouraging character should be permitted. A Bayreuth festival would be considered a debauch, and Wagnerism generally a disease. All mournful, depressing, or debilitating strains were absolutely banned."

Not every Japanese lives up to the high principles of this code. If 64 millions of people could do so, then the Pacific question would be a question no longer, for Japan would be strong enough to conquer all who stood in her path. But Bushido is sufficiently widely followed to exert a unique moral influence upon the Japanese nation; an influence, moreover, which is growing with the passing years, and which expresses better than any other factor the psychology of the Japanese race.

This, then, is one source of the moral forces inspiring Japanese life and thought which we see to-day in action. Bushido explains much that would otherwise be inexplicable to Western ideas; the motives which lie behind the swiftly-developing political scene at Tokio explain more. If Bushido gives us a glimpse of the Japanese soul, politics gives us a glimpse of its aims and ambitions, and the driving force behind them.

The Imperial Diet, or Parliament, resembles closely its English counterpart, consisting of a House of Peers and a House of Representatives. This representative system dates from 1880, although the history of political parties in Japan begins earlier.

The two main political parties are the Minseito, created in 1927, and the Seiyu-kai, formed by Prince Ito in 1900. There exists in addition rival parties of the "Left," to which reference is made in a later chapter.

The changing fortunes of these and other parties, the rise and fall of governments, and the programmes advanced, are of less importance in a book dealing with Japan's relations with other nations than the fact that under the Japanese system of government the ministers in charge of the armed forces are responsible not to the Cabinet, but to the Emperor alone. Where civilians have been suspected of interfering in the sphere of military matters, or of pursuing a pacifist policy in international affairs, strong action has been taken to remind statesmen that upon these matters the Army hierarchy holds decided views, which cannot be modified in order to pander to fears and compromises suggested by contact with the statesmen of other lands. There are to-day, and always have been, two governments in Japan—one civilian and the other military. There are occasions, as the world learnt when the Japanese army took command of events in Manchuria in September 1931, when the duty of the civilian ministers is confined to explaining away, as tactfully as they may think fit, the actions of the military commanders.

In regard to the Manchurian *coup d'état*, sections of the Japanese army felt that the existing political parties were too apologetic. They viewed with displeasure the soft words of Japanese delegates at Geneva. The Officers' Societies existing within the Army, in particular, welcomed a drastic policy against China in Manchuria and were impatient of those who endeavoured to "explain away" the successes gained by Japanese arms. Dissatisfaction at the "weak" attitude of other parties resulted, during 1931, in two events of importance to any study of the Far Eastern crisis or Japan to-day. These were the return of

the Army to politics and the formation of a Japanese Fascist Party.

There is some evidence for the belief that Army circles had been dissatisfied with the trend of events, even prior to the Manchurian crisis. It was suggested that the Japanese signature had been appended to the London Treaty of Naval Disarmament despite naval and military opposition. This implied that even the control of national defence—hitherto the jealously guarded preserve of the military authorities—was passing into civilian hands. Faced with such a " challenge," the Army decided that the only way to checkmate the " insidious influence " of the party politicians and prevent politics from controlling the armed forces, was for the Army itself to control politics.

Looking round for an instrument which could be used for that purpose the Army decided to support the newly formed National Socialist Party, recently launched by Mr. Katsumaro Akamatsu, a former secretary of the Social Democratic Party.

The new party had gained some support both from the ranks of the Social Democrats and the Farmer-Labour Party (a party of the " Left "). Reinforced by the goodwill of the powerful military caste, the Japanese Fascists have gained rapidly in power and popularity during recent months, and it is possible, and even probable, that Japan may be the next country to embrace the Fascist principle of government.

The flowing tide of Fascism has brought into being a whole crop of societies professing similar and strongly nationalist aims, some political, some cultural, but all anti-parliamentary, stressing the need for national discipline, and the subordination of the individual to the will of the state. The programmes framed by these new movements are similar to those of the Fascist Party in Italy, the National Socialists in Germany, and other European Fascist organisations. It is significant, to say the least, that their

Japanese counterparts stress the need for a revival of the ancient spirit of patriotism and obedience which, it is claimed, has been partially lost through contact with the West. Certainly, the rapid growth of Fascist feeling in Japan may be traced to that patriotism already referred to, which is symbolised in the person of the Emperor, and never far beneath the surface in Japanese life. Military successes in Manchuria, and the hint of criticism of Army action on the part of foreign Powers, has tended to make the Japanese recall the glories of Yamato. The cry of "Let us remember Japan and be Japanese" has gone forth, and a people who are ever-conscious of their future destiny have responded.

The attitude of Japan, as shown by pronouncements at Geneva, and wholehearted support for the army in China, cannot be understood unless it is remembered that in all nations patriotism is intensified when grave national issues are clearly involved. Events in Manchuria provided a crisis which made possible a Fascist movement on a widespread scale, threatening to change the face of Japanese politics and possibly the history of the Pacific.

"Not only was Japan arrayed against China, in what her people believe to be a defence of justice and vital need, but as events progressed she seemed to be arrayed against the whole world," states Mr. Sakuzo Yoshina. "A people believing themselves to be misjudged, and convinced of the necessity of resolutely pursuing a certain course, naturally becomes a people intensely patriotic and inclined to turn towards those who promise to pursue most resolutely the course which the occasion demands."[1]

What of the future of this new Fascist movement? While there is little room for doubt that the strident patriotism of the National Socialists represents the prevailing mood and nationalist temper of the majority of the Japanese nation to-day, the future of Fascism as a political

[1] *Contemporary Japan*, September 1932.

force depends more upon the military than either the workers or general public attracted to its ranks. The Army, by using the new party as its political instrument, has raised it overnight to a position of some significance in the State; it can, by withdrawing from politics again, and, to quote a Japanese phrase, "by deciding to hand politics back to the politicians," deprive the movement of much of its prestige and nine-tenths of its driving force.

Such an act of self-immolation on the part of those responsible for the national security of the Japanese Empire appears to be unlikely. Certainly it will not happen unless and until the Manchurian situation, and international complications arising therefrom, have been settled in a manner which meets with their approval.

Meanwhile, there are indications that the military intend to retain, and even extend, their influence upon Japanese politics. They believe that the business of empire-building, now in full swing, will be safer in their hands than if left to normal political parties. Challenges may yet have to be faced arising out of the occupation of Manchuria. Watch and ward must be kept over the spread of communism in China. Far from resting content with calling the tune in Manchuria, Japanese soldiers are busily expounding grandiose plans of economic development in that territory, for the relief of Japanese farmers, and the reorganisation of the system of local government.

Such is the prestige of the military authorities that as long as they remain in politics, and favour Fascism as their political weapon, the Japanese Fascist movement may be expected to grow in power. For the "Britain of the East" appears to be marshalling its powers in support of a policy of expansion which, while harmonising perfectly with the present mood and temper of the Japanese people, may need all the discipline, energy and patriotism that can be mobilised in its support, if it is to be carried to its appointed end without national and international disaster.

There are other facets to Japanese Fascism—a certain impatience with unrestricted capitalism, a desire to improve the well-being of the Japanese people, but these it shares with other parties. The significant and rapid growth of that creed in political importance in Japan is due primarily to an all-important fact. It expresses, in its admiration for the exploits of the Army, in its belief in the justice of the Japanese case, and in its readiness to accept any sacrifice for the greater glory of Japan, the prevailing national mood more surely than any other agency.

The Fascist movement is a sounding-board in which, if one listens, can be heard an echo from the future. It is the echo of gunfire, the staccato rat-tat-tat of machine-guns, and the steady tramp of marching men.

Will that grim future come? Let us seek an answer by examining the aims, aspirations and needs of Japan to-day, and studying the international situation in the Pacific—the arena where for good or ill Japan must work out her destiny as a world power.

CHAPTER II

THE MENACE OF NUMBERS

OVER the Pacific area looms the figure of a little yellow man, insistently demanding food, work, and room to live. Room to live in a nation which must accommodate 64 millions of men and women like him in a total area of 147,593 square miles, in which there are over 2500 persons to every square mile of cultivated land. Room to live in a nation which won its status as a great Power too late to participate in the scramble for territory which resulted in the whites annexing many of the delectable isles and lands around him.

That figure of the land-hungry over-crowded Japanese peasant has dominated the policy of successive Japanese governments. It overshadows all other issues pressing for solution in the Far East, constituting a growing challenge, which can neither be ignored nor evaded, to the exclusion policies adopted by the governments of the United States, Canada, Australia, and New Zealand towards the yellow races.

Two generations have passed since the pressure of numbers in Japan first attracted the attention of world statesmen. In those two generations the population crowded within the Japanese Islands has doubled! From time to time students of Far Eastern affairs have wondered for how long these expanding millions could continue to increase in a territory little larger than the United Kingdom before the explosion came. The warnings of those who saw the danger coming, and sought desperately for a safety-valve, were ignored. From time to time writers sought to warn the nations which had inherited the earth, or as much of it as was of any value. They were dismissed as alarmists. Not without reason does China feel safer when she can look to the League of Nations and the United States to fight her battles and preserve her integrity. Not for nothing does "white Australia," three-quarters

empty and with a climate which, over hundreds of thousands of acres, is more suited to the yellow labourer than the white, remain content with the Union Jack as her emblem—and the White Ensign as her defence!

Official figures, which can neither be argued away nor ignored, prove that this problem of population is the gravest problem of all those which face modern Japan. In the menace of ever-swelling numbers confined within a small group of islands is to be found the mainspring of the policy of expansion—territorial, strategic, industrial, and commercial—which Japan has patiently and persistently pursued during the past thirty years.

Japan, as we shall show, is to-day facing many grave issues. Population is the gravest of them all. It is a problem which becomes steadily more acute with each passing month, and for which no nation has yet been able to suggest a solution. Yet upon a solution being found depends, more than upon any other single factor, the survival of the Japanese Empire as at present constituted. Population, and food for that population, have left the region of the theorists, and have become—here and now—matters of life and death for a nation which, unless history, temperament, and national pride are mere words, will not see its star set without an attempt to burst its bonds.

Those are strong words. Is it justifiable so to summarise the danger to the Japanese nation represented by the steady rise in her population figures? Let statistics, which cannot be denied, supply the answer.

In 1878 the population of Japan was 30 millions. To-day that figure has risen to approximately 64 millions. In eight years from 1922 the population of Japan increased by six millions—an increase equal to the whole population of Australia! And the rise continues. The present rate of increase is 750,000 per annum. In the last four weeks 60,000 *additional* citizens have arrived in the teeming tenements and overcrowded cities and villages of Japan.

Living accommodation and the means to live—food and work—must be found for them. During the next month another contingent will arrive; a month later another. And this steady growth in numbers, resulting from a birth-rate averaging 34 per thousand, compared with Britain's birth-rate of less than half that figure, is taking place in a land where the density of population already exceeds that of any other industrial nation in the world.

According to a League of Nations Report, the density of population in Japan (1925) was 993 to every square kilometre of arable land, compared with 800 in Holland and Britain, 640 in Belgium, and only 305 in Germany.[1] An official estimate issued by the Japanese Government foreshadows that by 1957, assuming the present rate of expansion continues, the population will have become 90 millions, or approximately 1500 to every square kilometre of arable land in Japan. Such a figure, far surpassing anything known on the earth before, even in famine-ridden China, proves the urgency of the problem, not only for Japan, but for the civilised world. No one with a knowledge of the social and international effects of over-population will doubt that other and graver issues would have to be faced before that point is reached. Nor is there any reason to believe that this estimate is likely to be falsified by events. Rather, evidence suggests that the 90 million mark may be reached earlier than 1957. For in Japan, as in Western nations, improved sanitation and medical services are reducing the death-rate and improving the expectation of life, while at the other end of the scale, Japan, almost alone among the Great Powers, maintains a nineteenth-century birth-rate. And there are no facts pointing to any diminution of that rate in the near future.

Further, this high birth-rate exists in a country in which the " reproductive group " in the female population was in 1925 5 per cent lower than the corresponding figure

[1] *Population and Natural Resources.* League of Nations, 1927.

for France, and 7 per cent lower than the British figure,[1] whereas the percentage of females in the pre-reproductive group (below fourteen years of age) was 36 per cent of the total female population, compared with 30 per cent in Italy and only 21 per cent in France. Such figures are characteristic of a swiftly growing nation, and they clearly point to a large increase in the child-bearing population during the next twenty years.

The effects of this imminent increase in the numbers of young people of marriageable age in Japan, combined with a falling death-rate, can be predicted with reasonable precision.

" For the time being (as for the recent past) the Japanese population is still a very young population—one with an unusual percentage of its members in youth and early middle age, above all in childhood, so that the full effect of its reproductive forces is yet to come," states Mr. W. R. Crocker in a detailed analysis of all the factors.[2] That increase in the reproductive forces within the Japanese nation will add at least another 20 million inhabitants to Japan's already teeming motherland within the next generation. Already, the problem of feeding, housing and providing work for 64 millions is the gravest of all the problems confronting Japanese statesmen. Can another 20 millions be added to that figure without an explosion which, whether the rulers of Japan will it or not, will mean the redrawing of the map of Asia? Can a safety-valve be found without recourse to war? Above all, can Japan provide food for this ever-growing population while remaining within a comity of nations subscribing to a Pacific policy which entails acceptance of a *status quo*?

Japan, alone among industrial nations, cannot remain content in 1933 with the volume of exports which sufficed

[1] Quoted in *The Japanese Population Problem*, by W. R. Crocker. Allen and Unwin, p. 81.

[2] *The Japanese Population Problem*, p. 90.

to provide the means of buying food and raw materials in 1928. By 1938 the volume of foreign trade enjoyed in 1933 (world depression apart) would no longer suffice to keep her people employed. In the absence of large-scale migration, which would ease the pressure of population, an annual increase in numbers of three-quarters of a million can only be sustained without a social upheaval if industry continues to expand. The rate of expansion must be sufficiently rapid not only to absorb the annual contingent of labourers into the factories, but also to provide the means of buying overseas the raw materials needed to keep the additional workers employed, for Japan, as will be shown later,[1] suffers from a paucity of vital primary commodities and must purchase largely from other lands. Finally, only by exports can Japan finance the purchase of food for the new mouths which arrive every year in a land in which agriculture, despite drastic efforts, has reached the phase of Diminishing Returns.

Increased trade or territorial expansion—those are the alternatives facing Japan to-day. And only the first is open to a nation which finds the door to the second bolted and barred by treaties and pacts of which she is a signatory. Hence the desperation engendered by the Chinese boycott, desperation which precipitated the attack at Shanghai in February 1932, and the equally determined attempts made since that date to win a verdict at Geneva for military measures as a reply to Chinese "non-cooperation." Britain has seen her trade with China diminish during the past ten years. That decrease was a severe blow to Lancashire, but we have survived. If China were to succeed in her "economic war" upon the Japanese, the only result—treaties and pacts notwithstanding—would be actual armed conflict. For no nation, and certainly no martial race such as the Japanese, will face relegation to the ranks of second-class Powers, and passively accept the

[1] See Chapter IV.

inevitability of social unrest at home, merely in order to avoid criticism from other Powers not faced with the menace of numbers.

We have said that this question of population and food is a matter of life and death for Japan. No one possessing even a superficial knowledge of the agricultural position in Japan, and the conditions of the peasantry, would deny that statement.

Figures given elsewhere[1] prove the urgency of Japan's food question. Japan to-day imports one-fifth of the foodstuffs needed to maintain a standard of living which, low according to Western standards, is nevertheless beyond the power of the Island-Empire to attain on home production. And no intensification of agriculture, no further application of scientific methods, can make Japan self-supporting in this vital respect. The opinions of certain foreign observers notwithstanding, it is a demonstrable fact that such waste land as still exists could only be brought under cultivation at a prohibitive cost, and any increase in production thus attained would not keep pace with the needs of an expanding population. Japan must therefore reconcile herself to increasing dependence upon imported foodstuffs.

The only alternative would be a migratory movement comparable to the emigration of the Jews from Eastern Europe into the United States during the thirty years up to 1914. In considering this possibility, the tendency is to concentrate upon the difficulties created by the refusal of other nations, notably the United States, Canada and Australia, to admit Japanese settlers, and to ignore the equally important obstacle represented by the home-loving habits of the Japanese people.

Despite the infiltration of Japanese into Hawaii and the Pacific Islands, statistics suggest that it would be very difficult to inaugurate any wide scheme of migration to

[1] See Chapter III.

any region where Japanese settlement is within the bounds of possibility.

The fact that, after enjoying a privileged position in Manchuria for nearly thirty years, there are only 200,000 Japanese in that country, compared with 30 millions of Chinese, cannot be ascribed solely to the hostility of the former Chinese Administration of the three Eastern Provinces to Japanese settlement. Remembering the density of population in Japan itself, and the grinding poverty which is the lot of the rural population of that land, the failure of any large number of Japanese peasants to migrate to Manchuria (where Japanese ownership of the main railway, and a Japanese administration in the railway zone would have made settlement comparatively simple) indicates clearly that land itself is not sufficient to attract settlers from overcrowded Japan.

The statistics for emigration emphasise the point even more clearly. Despite the growing pressure of numbers in both cities and country-side, the net migration amounts to only about 20,000 annually, and of this number more than half leave the homeland for South America; the balance being distributed between Canada, Manchuria and the Pacific region generally.

The truth is that the Japanese in the mass are by nature antagonistic to migration when that step means cutting the ties which bind them to their country, or living in a climate which differs from that to which they have been accustomed.

These two factors—the maintenance of home ties and a suitable climate—cannot be ignored in any examination of the possibility of alleviating Japan's population problem by migration. Had the climate of Manchuria favoured the Japanese settler, it is certain that the respective figures of Japanese and Chinese inhabitants given in the Lytton Report would have been very different. Manchuria is still " indisputably Chinese " in population because the

Japanese peasant could not face the rigours of the Manchurian winter, when the temperature falls to below zero temperatures. Manchuria, whether disguised as *Manchukuo* or as a Japanese colony, will continue to provide Japan with essential raw materials for her factories, but, colonisation schemes notwithstanding, the actual Japanese population will remain small, and agriculture will be left to the bent backs of the toiling husbandry from south of the Great Wall.

"Even in the Japanese Railway Zone, the Leased Territory and Consular Districts, where Japanese are in a more favoured condition, more than 93 per cent of farming labour, more than 70 per cent of fishermen, 96 per cent of miners, and 88 per cent of factory workers were Chinese, as calculated at the end of 1929," admits the *Report of Progress up to* 1932, issued by the South Manchurian Railway.

And the *Report* contains figures showing that at the end of 1930, in 847 manufacturing plants and mills in the Leased Territory, Railway Zone, and Japanese Consular Districts there were employed 1,568,739 Japanese labourers compared with 11,810,128 Chinese.

"Of the number of manual workers, the Japanese show a tendency to remain stationary, if not decrease, in contrast to the steady increase of the Chinese," adds the *Report*. "As a matter of fact, most of the Japanese workers are skilled craftsmen or foremen. Even the ordinary Japanese labourer, however, though his efficiency may be 30 to 40 per cent higher than that of the Chinese, is not able to compete with the Chinese owing to the difference in the standard of living, which is much more expensive for the Japanese."

The second factor which has militated against Japanese migration in the past is seen at work in Hawaii. There a large group of Japanese settlers are living under the government of the United States. But they are not becoming

American citizens after the manner of all other racial variations who settle in the territories of the Great Republic of the West. Rather they regard themselves as loyal subjects of the Mikado, and citizens of distant Japan.

"In 1900 there were only 12,360 Japanese in Hawaii," states Mr. Nicholas Roosevelt.[1] "By 1920 they numbered 109,274, or 42·7 per cent of the total population of the islands. The Japanese now outnumber the Americans nearly ten to one. Five-sixths of the Japanese children are in Japanese-language night-schools. Although it is, of course, unjust to indict the Japanese population of Hawaii *in toto* as disloyal to the United States, it is idle to pretend that Japan, through the Japanese-language schools, in which the Japanese lessons of reverence for the divine origin of the Japanese emperor are taught, does not exercise a great hold over this, the largest single racial group in these islands of many races. The Japanese stock will soon be able to out-vote the Americans. In due time they will nearly all be American citizens. But it does not follow that they will forget their devotion to Japan. The stupidity and intolerance of the Americans in treating the American-born, Americanised Japanese as foreigners has already played into the hands of the pro-Japanese. If, therefore, the Japanese party in Hawaii wishes to take political control of the islands within the law and framework of the American territorial government, it would find its task comparatively easy. On the other hand, if ever a race crisis arises, the American Government will be faced with a task more delicate than any with which the nations of Europe had to deal in handling powerful, unassimilable, politically hostile ethnic groups within their borders."

The experience of the Americans at Hawaii is at once a warning and a revelation. It is a warning to those who

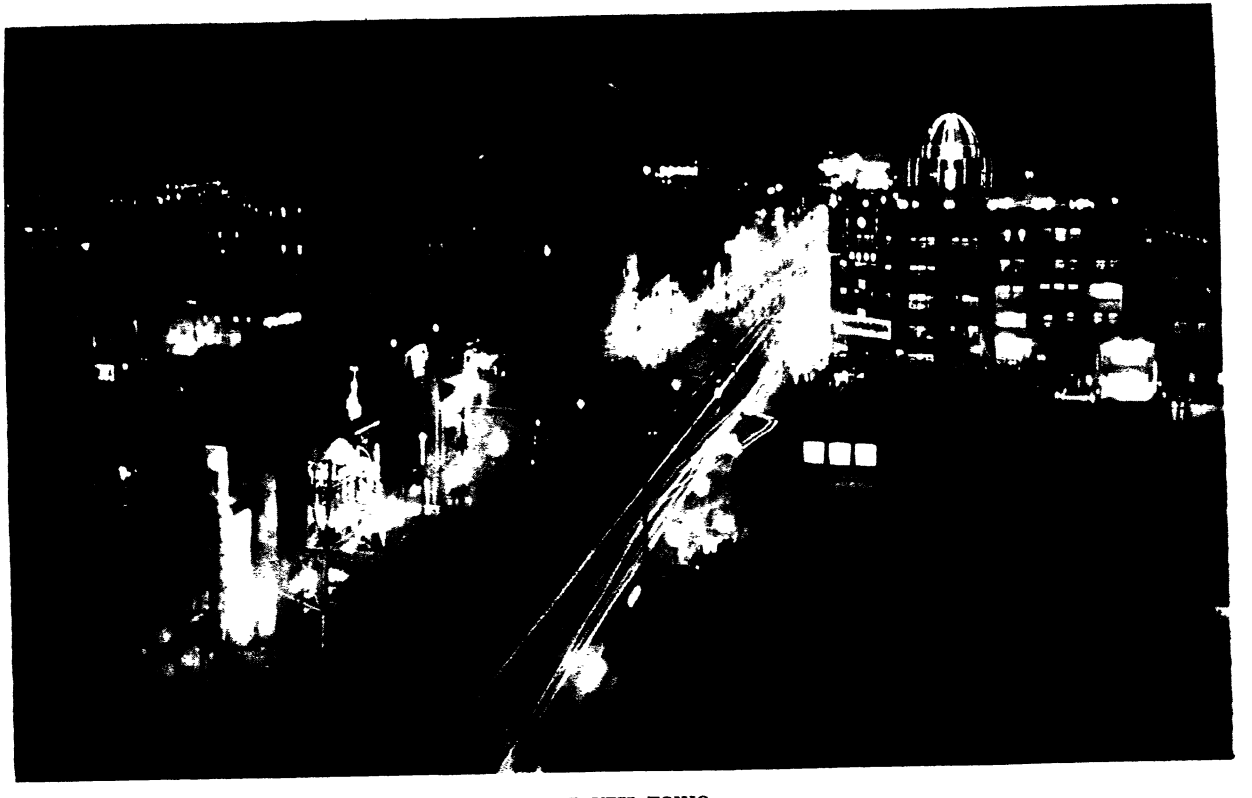
[1] *The Restless Pacific*, Scribners, p. 101.

believe that, in the interests of world peace, the discrimination against Japanese settlers now almost universally enforced should be abandoned. It is a justification of the "white Australia" policy enforced by the Commonwealth Government. And that increase of one thousand per cent within twenty years in the Japanese population of Hawaii is a revelation of the conditions under which the Japanese labourer can be induced to migrate from his own densely populated islands to less crowded regions.

Outlets Japan must have. A population of 90 millions cannot be accommodated in the present national homeland. And at most only thirty years remain in which the statesmen of the world must either arrange those outlets by arbitration, or admit that they have no solution to offer and stand aside while Japan seeks her own solution by force.

Manchuria, as we have said, affords no respite for the problem of population. Where else can Japan look for relief from land-hunger? British Colombia or California? Both are bolted and barred against Japan, not alone by immigration laws, but by public opinion. Northern Australia? Australia is adamant against permitting yellow settlers to cross her frontiers, for the Commonwealth statesmen have learnt the lesson of Hawaii. They know that settlement alone—even settlement in a favourable climate—will never satisfy the Japanese. Japan needs more than land—the temperament, culture, and patriotism of her people make it imperative that that land should become an integral part of Japan, where the religion, language, habits, customs and loyalties of the homeland may flourish. No scheme for the settlement of Japanese which does not take the fundamental characteristics of the Japanese people into account will succeed.

Japanese settlement in Australia would inevitably mean that the sub-tropical Northern belt, at present sparsely inhabited and unsuited climatically for white settlement on



THE NEW TOKIO

A view of Ginza Street, the main business thoroughfare of Tokio, by night. The building on the right is the largest Department Store in the Orient.



a large scale, would within measurable distance of time become a Japanese colony. Japan herself, once " white Australia " had become a policy of the past, would not avert it, and Australia herself could not avoid it. Then, with the island-continent divided between a fast-breeding yellow race and a thinly populated British Dominion, the stage would be set for a conflagration which would be fatal to the peace both of the Japanese Empire and Great Britain.

China? More than once during the past twenty-five years Japan has seemed intent upon establishing herself on the mainland of Asia. It is probably true to say that only two factors saved China from Japanese aggression up to 1931. These are Japan's imperative need of Chinese goodwill as a market for the ever-growing stream of manufactured goods pouring from her factories, and the unflinching opposition of the United States to the dismemberment of that land. As China has staggered through one civil war after another, and governments have come and gone, while only chaos was continuous and only war-lords thrived, the temptation to Japan to seize what her military forces could hold easily enough must have been very great. But always holding her back was the memory that her hands were tied by her signatures to the Nine Power Treaty and the Kellogg Pact, which necessitated the retirement of Japan from all the obligations which she has assumed as a world Power before she could pursue a policy of naked Imperialist annexation in the Far East. And Japan, remembering perhaps her dependence upon international financiers, and her place at the conference table beside the Great Powers of the earth, hesitated to take the step which would mean the mobilisation of world opinion against her, if nothing worse. Almost certainly, expansion at the expense of a stricken China would have meant something much worse, for the government of the United States has chosen to elect itself

as China's best friend among the nations. To violate Chinese neutrality, therefore, might well mean that Japan, a relatively poor nation, deficient in all the essential raw materials necessary for conducting a war, dependent, too, upon imported food if something akin to famine is to be averted, would have to face the full might of the most highly industrialised nation in the world, a nation possessing an inexhaustible reserve of man-power and unlimited resources for conducting an overseas campaign while her own frontiers remained inviolate and inaccessible.

In all directions Japanese expansion is held in check by an iron-ring of Powers which, however smooth their words may be, are unalterably opposed to any infiltration of yellow labourers into the lands which they control. Japanese control over Manchuria is the exception which proves the rule. In that policy of the " ring-fence " lies the biggest threat to world peace existing to-day. For Japan *must* expand. No sophistry, no argument, no burking the issue can eliminate the ruthless arithmetic of those ever-swelling population figures.

How, short of catastrophe, is a solution to this most pressing of all Japan's insistent needs to be found? The way out, if it is to be attained by peaceable means, must be found along two parallel lines. At home, the Japanese population must change the dietary habits of generations, and forsake rice for wheat and other cereals now in abundant supply throughout the world. And to pay for the foodstuffs which must always be imported, Japan will be forced, willingly or not, to dominate the trade markets of Asia in order to provide work for her growing army of labourers. That Japan realises this is shown by her plans for industrial expansion.[1]

Simultaneously with a large expansion of industry and exports, national prestige and safety alike will dictate that control be secured over the raw materials and food without

[1] See Chapter III.

which the continued existence of the Japanese nation cannot be guaranteed. And in achieving that aim the national land-hunger may be satisfied in the only way that will meet national aspirations and encourage large-scale migration—by the acquisition, not of migration rights in lands under another flag, but by building up of a Japanese colonial empire in the Pacific.

Despite the brilliant play made with the phrases "self-determination" and "acts of self-defence" by Japanese delegates at the meetings of the League of Nations which considered the Lytton Report, it remains profoundly true that the tightening of Japan's grip upon Manchuria was the most dramatic step up to date in a policy of expansion which might earlier have added Shantung and Eastern Siberia to the domains of the Mikado had the United States proved a little more accommodating to Japanese aspirations.

The occupation of Manchuria satisfied the sentimental aspirations of a people who had "staked their claim" to a privileged position in that region by an outpouring of blood and money in 1905. Those who forget that but for the Russo-Japanese war Manchuria would almost certainly have been a province of Soviet Russia since 1917, cannot appreciate the depth of public feeling aroused in Japan at any criticism of their actions in that region.

But the Three Provinces, as we have said, can never take any large inflow of Japanese emigrants. The importance of Manchuria is as a reserve of raw materials sufficiently near to the Japanese mainland to be protected in the event of war.

For opportunities of easing her pressure of population by colonising Japan must look elsewhere, to lands with a more temperate climate. This rules out Siberia, Mongolia and the whole of Northern Asia, which only considerations of prestige or strategy make of interest to Japan. Generally speaking, the lands suitable for Japanese migration on a

large scale are confined to those in which the climate is comparatively warm, with a winter mean temperature of not below 30 degrees Fahrenheit.

A large part of China is climatically suitable, but the swarming Chinese land-workers offer no scope to any Japanese peasant in search of land. Japan, afforded a reasonable excuse by the continuance of chaos in that country, and the spread of communism in the Yangtse region, might gamble at a convenient moment upon the pacifism of the American people, and seek to carve a few million square miles out of China. But it would be a desperate gamble at best, and there are two very strong reasons for believing that such an adventure would have disastrous results. It would destroy for a generation all hopes of the resumption of normal trading relations between Japan and the great Chinese market at her door. And it would mean open defiance of treaty obligations so flagrant that strong steps might be taken, not only by the United States, but by other Powers possessing interests in the Far East, to dispossess Japan of her booty.

The North American coastline offers no hope of establishing a Japanese colony on that continent. There remains only the rich Dutch East Indies, Northern Australia, and the Pacific islands at present owned by Britain, the United States, and other Powers.

The American Admiral Ballard pointed out in *The Influence of the Sea on the Political History of Japan* that the phase first of compulsory and later of voluntary isolation which Japan passed, and which lasted up to the latter half of the nineteenth century, cost her the opportunity of creating a colonial empire out of the chain of islands stretching from Sumatra to Northern Australia. Had Japan entered the circle of great sea Powers one hundred years earlier, she might well have solved her population problem before it had arisen in its present acute form, and become the greatest empire of the

Pacific. But history does not wait upon necessity; the rulers who thought it the ultimate wisdom to bar Japan against contact with the world let slip an opportunity which cannot be conjured back. To-day, to gain a fraction of what might easily have been acquired in an earlier day, would mean courting the hostility of the nations which exercise sovereignty over the Pacific islands. The most tempting of them, whether British or Dutch, are barred to Japan by the same considerations which prevent her statesmen from seeking new territories in other regions.

Despite considerations of present ownership, however, that dream of expansion southward is still favoured by the navy party in Japan which advocates as the ultimate solution of the menace of numbers the control by Japan of the whole chain of islands stretching from the Bering Straits to Australia, and including the Philippine Islands and Guam, at present in the possession of the United States, part of the Dutch East Indies, and British Guinea.

The rival policy, espoused by the army in Japan, favours expansion on the mainland of Asia. This " continental " theory aims at extending Japanese influence—by peaceful penetration and concessions—over a large area of China. Nor do the ultra-patriots of Tokio always confine their ambitions within such relatively narrow limits. They dream of a Japan which will eventually be supreme over all Asia.

Considered from the point of view of presenting an escape from her excess population, the policy of oversea expansion offers the greatest advantages. But there are obvious and, indeed, overwhelming obstacles to either policy being carried into effect, if only because a first step towards expansion to the south or west would so violently upset the balance of power in the Far East—already rudely disturbed by events in Manchuria—that the challenge would arouse certain and powerful opposition. That aspect of the alternatives before Japan, if she is to escape

from the growing pressure of her ever-increasing population, is discussed in other chapters.

Virtually any solution to the riddle of those population figures must depend upon amphibious power—upon Japan's ability to seize new territories and hold them when seized. With the awakening of nationalist sentiment in China, the last hope of solving the problem by peaceful penetration may be said to have passed. Henceforth, Japan must face the fact that to burst the "ring fence" around her, and secure any outlet for her population, she must weigh the chances of embarking upon the most desperate gamble in her history, a gamble in which the chances of success would be outweighed by the consequences of failure.

It is possible both to sympathise with Japan's plight, and to appreciate the difficulties of discovering a solution by negotiation. There is much to be said for submitting such a question to arbitration, and thus eliminating all excuse for a policy of naked Imperialism. But it is by no means established to the satisfaction of Western public opinion that any nation, merely because its birth-rate remains too high for the resultant population to be conveniently accommodated within its own borders, shall have the right to dump its surplus citizens upon the territory of other nations, or to redraw the map of the Pacific to suit its convenience. To admit the validity of such a doctrine would only hasten the time when the pressure of population in the new territory would be as great as it is in Japan to-day. Policies of ordered development in the areas affected would be jeopardised and thwarted, and new problems of a highly contentious nature would quickly arise.

To admit such a right in the case of Japan would mean accepting the thesis that she is entitled to send over 750,000 settlers abroad every year, and that other nations must open their doors to that number. Nor could it be

guaranteed that the resultant migration would be confined within that figure; to relieve the present pressure of population in Japan it would be necessary greatly to exceed this figure for many years to come.

No one conversant with the issues raised by Japanese migration in the past, and faced by the United States in Hawaii to-day, will overlook the serious racial questions which the scattering of millions of Japanese settlers, owing allegiance not to the country of residence, but to the motherland they had left, would raise. That some such development may be forced upon the nations concerned by the inexorable logic of numbers may be admitted; that it could be accomplished without a serious disturbance of the present balance of power in the Far East, and eventually grave political results, is highly improbable.

At present Japan is faced by the demand of other Powers possessing territory in the Pacific that they shall be the sole arbiters of who shall and who shall not be admitted within their frontiers. Just as Japan herself reserves the right to exclude anyone she thinks fit, so other nations control the inflow of settlers according to the policies of their governments. That such control is most drastic where those of Japanese race are concerned is but a reflection of the well-known resistance of the Japanese to assimilation—to what may be termed their "Japanism"—and to yet another aspect of this crucial question, the certainty that no standard of living acceptable to the white races could be maintained side by side with the low standard which would be imported with the Japanese settlers.

"Japanese labourers cannot compete with Chinese or Korean coolies, and so are unwilling to admit them to Japan," states Mr. Nicholas Roosevelt.[1] "Nor can the white races compete on the same ground with the Chinese or Japanese. When these enter a community in large

[1] *The Restless Pacific*, p. 97.

numbers they soon force out the whites. The white man's realisation that this is partly due to his own sloth and wastefulness compared to the frugality of the yellow races does not increase his friendly feeling towards his yellow brethren. Social problems have helped to complicate the difficulties. The traditions and customs of Orientals and Occidentals are so far apart that they create barriers which result in the complete isolation of the aliens. This in turn emphasises the impression that these aliens are forming foreign colonies, which naturally stimulate racial and national prejudice."

More serious in its implications than any other aspect of Japan's greatest problem, however, is the fact that over-population is a complexity of peace; in the event of war it ceases to be a problem for a time, and becomes a source of strength. Especially is this true of Japan, with its strongly held belief that death in the service of the Emperor is a sure passport to eternity, and the raucous patriotism of a generation which has witnessed the growth of militarism, and the successful defiance of world opinion over Manchuria.

Whether by agreement or resort to force, a way out of that "ring fence" must be found—and quickly. The sands in the hour-glass are running out and no amount of ingenious computation showing how a redistribution of Japan's population between the urban centres and the comparatively thinly populated eastern provinces, or the reclaiming of waste land, can destroy the pressing urgency of the problem which faces the rulers at Tokio. The sole alternative to overseas expansion would be a sharp reduction in the birth-rate. Such a reduction could be accomplished by only two means, by the widespread adoption of birth-control or by infanticide, and both may be ruled out as beyond the bounds of possibility.

True, a decline in fecundity is revealed in the statistics. The average of births among married women aged from

fifteen to twenty-nine years has fallen from ·62 in 1898 to ·56 in 1925, while the percentage of marriages also shows a small decline. But these changes, while important, are too slight to afford any hope to those who have to face the pressing urgency of the prophesied increase in population of 30 millions between now and 1957.

Nor does it offer Japan any prospect of an alleviation of her present unsatisfactory food position. Influencing many of the actions of her rulers, dictating policies which at times appear misguided to nations which know not Japan's pressing needs, are those figures showing that, whereas the population density per square mile of arable land in Britain is 2,116, in Belgium 1,643, in the United States 186, and in Australia 168, the corresponding figure for Japan is 2,547! And the figure is rising with each passing year. That figure is the most vital fact in Japanese life and policy to-day. It dominates foreign policy. It dictated the Manchurian adventure, undertaken primarily to ensure continued and uninterrupted access to that reservoir of food and raw materials within close proximity to the Japanese Islands. It will yet be responsible for events which must decide whether Japan is to secure her national safety at home in the only way open to her—by expansion abroad. The challenge of numbers is too insistent to be denied.

CHAPTER III

A "FIVE YEAR PLAN" FOR JAPAN

OF the population of the Japanese Islands, half is engaged in agriculture, and half in industrial, commercial, military and administrative occupations. According to the census returns of 1925, 55·6 per cent of the total number of families were at that date agriculturists, the farming population of Japan Proper, Chosen, Taiwan and Karafuto combined numbering 43,935,000 persons, while the total capital invested in agriculture totalled 39,450,000,000 yen. Farming is, therefore, definitely the most important activity in Japanese national life.

This fact stands out in even stronger relief if the official estimate of capital invested in the various departments of national activity in Japan Proper is examined. According to the *Japan Year Book* these figures are :

	Total Capital (in hundred millions of yen).	Percentage of total investment.
Farming . .	347	47·1
Trade . .	130	17·6
Manufacture .	100	13·6
Others . .	240	21·7
Total . .	817	100·0

The 5½ million farmers who, with their families, form the agricultural population of the country, cultivate about 15 million acres of land, giving an average area of a little under three acres per family. In Japan Proper one acre has to feed nearly four persons, while even in Hokkaido the average area per family is only 7½ acres.

The most important farm product of Japan is rice, more than one-half of the total cultivated area being devoted to this crop. Other crops are barley, beans, and peas, while wheat, rye, buck-wheat, sweet potatoes, vegetables, and fruit are grown on the uplands.

The predominant part which rice-cultivation occupies

in Japanese agriculture is further emphasised by the official census of the value of all crops taken in 1925, which revealed that out of a total of 4,439 millions of yen, the rice crop accounted for 2,504 millions, or more than half the total. " Other foodstuffs," including cereals, vegetables, and fruit, were valued at only 550 millions. Rice, the national food of the Japanese people, may therefore be said to be the backbone of the greatest industry in the State.

Furthermore, the yield per acre of the Japanese rice-fields is the highest among rice-growing countries in the world. For the year 1927, the figures for the four principal rice-producing countries (China being omitted owing to the absence of reliable information) were :

United States	. .	1,130 pounds per acre.
British India	. .	805 ,, ,,
Java	. . .	970 ,, ,,
Japan[1]	. . .	2,510 ,, ,,

This figure of 2,510 pounds per acre is twice as high as the yield of fifty years ago, evidence of the intense effort which Japan, faced with a fast-growing population, has made to extract the largest possible amount of food from her soil.

As long ago as 1912, Dr. King, an official of the U.S. Department of Agriculture, wrote of " the tense strain and terrible burden to live "[2] which was the common lot of the Japanese farmer. More recently, the National Agricultural Society of Japan, after a careful investigation of the incomes and conditions in Japanese rural areas, admitted that " farmers cannot live on the incomes from their farms alone." The great majority of agriculturists are saved from bankruptcy and starvation only by the subsidiary occupations which are commonly followed in rural Japan, of which the most important is sericulture.

[1] *U.S. Commerce Year Book*, Vol. II, 1928.
[2] Quoted in *The Japanese Population Problem*, p. 93.

"In the farmers' economy, sericulture plays almost as important a part as rice cultivation," states the *Japan Year Book*, "and indeed were it not for the profit derived from this subsidiary occupation, Japanese farmers of the middle and lower grade would hardly be able to maintain themselves. By rearing the worms in the three seasons of spring, summer and autumn, farmers can at least double the amount obtained from ordinary farming alone."[1]

Enquiries made by the Japanese Department of Agriculture and Commerce in 1920 showed that at that time the average tenant farmer finished the year with an average deficit of about £4 10s., the landowner with a surplus of about £2, and the owner-tenant with a surplus of about £18.[2]

Further investigations made since that date revealed that while the majority of Japanese farmers were making a small annual profit for their labour, the profit was derived not from farming proper, but from sericulture, and other subsidiary work.

These figures, gathered by an expert and painstaking observer, clearly prove that while the crisis in Japan's staple national industry has been intensified by the prevailing world depression, it pre-dated that crisis, and will continue after it has passed. For its cause one must look beyond the low figure of world prices to-day, to the system of land-ownership under which the rent charge, paid in kind, frequently amounts to over 50 per cent of the annual crop. Half the arable land in Japan is worked under this share-farming system, which is at the root of the grave agrarian unrest in recent years. A contributory cause of

[1] *Japan Year Book*, 1930, p. 346.

[2] *The Japanese Population Problem*, by W. R. Crocker, p. 101. Of these three classes tenant farmers number 28 per cent of the whole, landowners 31 per cent, and tenant-owners 41 per cent. Approximately half the total farmers in Japan lease the land they cultivate, and half are owners, though often faced with such heavy mortgages that their lot is no better than that of their brethren.

the farming crisis is the land-hunger, aggravated by the expanding population in a country where every acre of land which can profitably be employed is already under crops. This land-hunger is reflected in the prevailing system of intensified agriculture under which the average amount of land worked by each Japanese farmer amounts to less than one acre, compared with 6 acres which is the extent of the average French small-holding, and 16 acres of the Dane. In that figure we see again the relentless pressure of population, for whereas the population of Japan has doubled itself within the last half-century, the area of arable land has increased in that period by only 25 per cent.

In an effort to redress the balance, every available inch of fertile ground has been utilised for food production. Those who know Japan best frequently comment upon the industry by which the smallest scraps of soil—even the rugged sides of active volcanoes—have been brought under cultivation. Fertilisers and abundant labour, coupled with the pressure of heavy rent charges and the grim spectre of poverty, have played their part in obtaining that increased yield of rice mentioned above.

Despite this intensive agriculture, Japan at present imports 60 million bushels of rice annually, or one-fifth of her entire consumption, in addition to enormous quantities of soya beans, wheat, flour, and other foods.[1]

This increase in imports is evidence of the failure of home producers to keep pace with the needs of an expanding population. The volume of the rice crop has been doubled once. Can it be doubled again in the next twenty years? That is one of the questions facing those who govern Japan; and one of the questions lying behind

[1] Imports of rice into Japan have increased by 400 per cent during the past twenty years—from an average of 4¼ million quintals for the period 1909–13 to 17 million quintals in 1927. The value of rice and paddy exported from Japan in 1930 was 6,571,000 yen, compared with imports valued to 19,583,000 yen. *Japan Year Book*, 1932, p. 133.

the Japanese urge for expansion. For, despite the industry and initiative with which the nation has faced this " key " problem, only one answer can be made to the question. It cannot. The yield per acre has already been forced up to a point at which experts believe that the law of Diminishing Returns is beginning to operate—the average cost of growing a bushel of rice in Japan is higher than the prevailing world price, resulting in further impoverishment of the already low standard of living among rural workers. The area under cultivation cannot be materially increased. Mechanisation may afford some assistance, but only to a limited extent. Japan is a land of one-acre holdings, supporting a larger number of labourers per acre than any other food producing country in the world except China. Machinery may assist in bringing about a rise in the present low standard of living among the farmers, but it can only accomplish this by accentuating the problem of finding employment in the factories for those displaced from the land. And such a large scale expansion of industry is impossible in the absence of a virtual monopoly by Japan of the trade markets of the Pacific.

Japan must, therefore, reconcile herself to increasing dependence upon imported food, and find an outlet for her expanding population either in industrial pursuits at home, or in food-production and other occupations abroad.

Meanwhile, the Japanese farmer has found salvation from his pressing economic burdens, at least temporarily, by adopting the cultivation of the silkworm as a " side line."

Sericulture might, indeed, have been devised by a benevolent Providence to solve his most pressing need. For it has seldom succeeded when conducted on a large scale, its development is dependent upon manual labour in abundance, and up to date the ingenuity of Western inventors has sought in vain for any method of rearing silkworms by " labour saving " means.

Up to the present, therefore, the Japanese farmer has enjoyed a virtual monopoly in this subsidiary source of family income, and the production of silk in rural Japan is still increasing, despite the world trade crisis.

The number of farmers engaged in sericulture has grown from 1,847,895 in 1927 (Spring season) to 2,000,137 in 1929, while the area of the mulberry plantations has increased from 1,486,000 acres in 1927 to 1,564,185 acres in 1929. The total number of families engaged in rearing the silkworm in 1930 was 2,215,674, and this increase was recorded despite a heavy decline in the average spot prices of raw silk.[1]

Forestry is another important rural industry of modern Japan, a great timber-consuming nation. Roughly half the total area of Japan Proper is forest area, compared with 60 per cent of Finland, the best wooded country in Europe. Over 1000 different varieties of trees are represented in these forests, which yielded timber valued at 103,462,000 yen in 1929.

Until 1920 Japan remained, on balance, a timber-exporting country, but a year later the trade balance on this item was reversed, and after the earthquake disaster of 1923 the imports of timber amounted to over 100 million yen a year.

The following figures reveal Japan's present dependence upon timber imports:

Year.	Output. (in thousand yen).	Import.	Export.	Consumption.
1927 .	116,342	103,805	15,899	204,248
1928 .	118,901	111,008	17,964	211,945
1929 .	103,462	88,837	21,138	171,162

[1] Average prices per 100 kin of raw silk of Futoito Best No. 1, by steam filature as quoted at Yokohama, fell from 1,326 yen in 1928 to 807 yen in 1930. *Japan Year Book*, 1932, p. 159. The figures showing the average weight of cocoon crops emphasise the importance of this "side-line," both to the Japanese farmer and to the Japanese nation, an increase of nearly 300 per cent in the quantity of the crop having taken place since the period 1905–9.

At present, 80 per cent of timber imports come from the American continent, but it is expected that with the changed conditions in Manchuria, Japan will seek to develop the forest wealth of that region, thus securing control over a supply of timber nearer to the homeland.

Because of the impossibility of producing in Japan all the rice needed to feed the population while existing dietary habits continue, many observers have advocated a widening of the diet eaten in the typical Japanese household, especially by the substitution of fish, which is abundant in the waters around Japan, for other foods.

The possibility of an attempt to thus relieve the pressure upon rice supplies lends importance to the position of the fishing industry.

In 1929, 774,091 persons were permanently engaged in that industry, while Japan possessed 359,545 fishing craft, of which, however, all but 31,000 were small fishing-boats without engines. The value of catches has been constant for some years at about 200 million yen. But if comparison is made with the past it is found that the total value of the annual catches has increased three times during the past sixteen years, while the quantity of fish landed in Japan has doubled during that period.

In Hokkaido, Japan possesses an area reputed to be one of the three important fishery grounds in the world. During 1929 total catches in this area amounted in value to 45,450,000 yen, the principal catches being herring, cod, sardines, and flat-fish.

The Japanese aversion to meat, and the excellence of the fishery grounds near her coasts, capable of considerable development, affords the one source of " home produced " food not at present exhausted, and might well provide employment for larger numbers of her population if the amounts of rice and fish in the diet of the average family could be slightly adjusted in favour of the latter food.

Whereas Japanese agriculture and kindred pursuits

offer in general little scope for expansion, however, and the country has reached the phase of Diminishing Returns in rice production, as an industrial state Japan stands at the beginning of her destined development.

Japan's industrial revolution, and the displacement of household industry by the factory system, dates from the Sino-Japanese war of 1894–5. The growth of national consciousness following that successful campaign, found one expression in the creation of factories, and especially in a wide extension of the spinning industry.

Ten years later, when the victory over Russia confirmed and strengthened the position of Japan in the Far East, the mechanisation of industry had already made great strides, while the chemical industry had appeared on the scene. The supply of electric light and power was also rapidly extending during the years before 1914. By that year, when the outbreak of the European conflict dislocated the trade of most of those nations which had been Japan's rivals in Eastern markets (especially Britain, whose position in the textile trade with China and the East had hitherto been predominant), Japanese industry had reached a stage of development which enabled that nation to seize the opportunity thus presented to secure a swift expansion of exports.

This rapid growth of external trade was not, however, an unmixed blessing, for the eagerness of Japanese commercial firms to extend their markets led in many cases to a deterioration in the quality of goods exported, a deterioration which gravely impaired the reputation of Japanese products, and in some cases assisted European nations to recover their former markets four years later. Recognising the danger to the good name of Japan, the manufacturers of Nippon, under strong pressure from their Government, adopted measures to improve the quality of their goods, especially those forming the bulk of their still expanding exports, and these prompt measures have

largely removed the disadvantage under which Japan sought foreign orders ten years ago.

The number of factories in different fields of industry and employing more than five persons, is shown by the latest figures to be still rapidly expanding:

Year.	Number of factories employing					
	Under 10	Under 50	Under 100	Under 500	Over 500	Total.
1927	27,836	20,463	2,638	2,205	538	53,680
1928	29,116	21,162	2,850	2,283	537	55,948
1929	33,187	21,204	2,831	2,170	495	59,887[1]

The total number of factory workers during those three years remained constant at approximately 1,900,000, the growth, where it was not confined to mechanised small factories, being counterbalanced by the increasing use of machinery.

A further table, classifying Japanese factories according to groups of industries, clearly shows the manufactures upon which the prosperity and future development of trade depend.

Trade.	No. of Factories.	No. of Workers.
Textiles	19,706	997,690
Mechanical	3,782	90,939
Chemical	3,199	122,250
Food	11,894	142,998
Machine and tools	5,296	190,154
Pottery	3,253	70,117
Wood	4,730	58,996
Printing	2,586	52,015
Gas and electric	457	8,038
Miscellaneous	4,984	91,825

Thus nearly half the total number of factories in Japan, and more than half of all factory operatives, are found in the textile industries—silk and cotton—upon which the wealth of that country is founded.

[1] *Japan Year Book*, 1932, p. 157.

The silk industry occupies the leading places in Japan's list of exports, that nation supplying 70 per cent of the world's entire production of that commodity, compared with 18 per cent supplied by China and 10 per cent by Italy. Eighty-six per cent of all the silk consumed in the United States is imported from Japan, a fact which neither country can afford to ignore when considering their mutual interests.

Owing to the world crisis, and especially the decline in purchasing power in the United States, due to that economic upheaval, the Japanese silk trade has been experiencing difficult times during the past two years. Prices of raw silk have fallen disastrously, and the volume of exports has declined.[1]

Exports of raw silk to the United States fell in value from 398,715,000 yen in 1930 to 209,833,000 yen a year later. Total exports of raw silk declined from 416,647,000 yen in 1930 to 218,269,000 yen in 1931, a fall of nearly fifty per cent, measured by value, in the space of twelve months. For semi-finished silk goods, waste, and floss silk, and other branches of the industry, the fall in exports which followed the impact of the world crisis upon Japan's customers, was even more pronounced.

The development of the cotton spinning industry in Japan was even more remarkable than the rise of the silkworm to importance in the national economy. In thirty years that industry has attained a position second in importance only to silk, exports of cotton yarns and fabrics

[1] Exports of silk from Yokohama to the United States dropped from 406,708 piculs in 1929 to 315,340 piculs in 1930. Exports from Kobe to the same destination declined from 154,268 piculs in 1929 to 138,177 piculs in 1930. The total decline, measured by weight, during the twelve months, amounted to about 10 per cent of total volume. *Japan Year Book*, 1923, p. 159. During recent months there has been some recovery in prices, and silk exports accounted for a substantial portion of the rise, amounting to no less than 97·1 per cent, in Japan's exports for November 1932, compared with the same month of 1931. This "boom" in Japanese trade, despite the reverberations of the Manchurian crisis, will be referred to later in this chapter.

accounting for over 25 per cent of Japan's total foreign trade. When it is remembered that Japan has to rely entirely upon foreign sources of supply for both raw cotton and machinery, the progress of the industry is seen to be one of the major industrial achievements of our generation. These drawbacks are, however, partly compensated for by an abundance of cheap female labour, and the close proximity of the Japanese mills to the greatest cotton consuming nations in the world—namely China and other Asiatic countries.

Fortified by the lowest labour costs of any industrial nation, and urged on by the pressing need for increased national wealth and the provision of work for an expanding population, Japan has steadily consolidated her position in the markets of the East. Thus in 1912 rather more than 98 per cent of India's imports of cotton goods in the grey came from the United Kingdom, less than 1 per cent being imported from Japan. By 1929–31 the percentage coming from Britain had fallen to 56 per cent, while Japan's share of Indian cotton imports had risen to 42·5 per cent. The figures for coloured goods reveal a similar fall in Britain's imports and a similar rise in the Japanese figures. To-day Japanese mills are purchasing a larger quantity of Indian-grown cotton than Britain, and, after manufacture in Japan, is sending that cotton back to India in competition with the products of Lancashire with increasing success.

Similarly in the bazaars of Malaya, the price asked for a native *sarong* of Japanese origin is often only one-sixth of the price of the same article, but of better quality, imported from Britain. And such instances, showing the capacity of the Japanese mills to undercut European competitors throughout the East, could be multiplied.

According to figures issued by the Japan Spinners' Association, which includes 73 companies representing more than 90 per cent of the whole cotton spinning industry Japan possessed at the end of 1930, 262 spinning mills

operating 7,089,000 spindles, a number which places that country seventh in the list of cotton spinning countries in the world.

To these mills in Japan must be added the Japanese cotton spinning interests in China, the rise of which has been a recent development in that country. There are now over one million spindles at Shanghai under Japanese ownership, a further 296,400 spindles at Tsingtao, 114,600 spindles in Manchuria and Kwantung and 24,800 at Hankow.

"The Japanese activity in this particular field of industry in China amounts to nearly 40 per cent of the total number of spindles in operation in that country," states the *Japan Year Book* for 1932. "This enterprise of Japan has recently experienced a serious set-back owing to the anti-Japanese agitation in that country on the one hand and the marked development of the Chinese spinning industry on the other."

The weaving section of the industry comprised 174,081 factories containing 406,849 power and 203,584 hand looms and employing 533,825 operatives.[1]

One further branch of the Japanese textile growth of industries remains to be discussed. This is the rayon, or artificial silk industry. Founded in 1918, this branch of the textile group has made startling progress in Japan.

Perhaps by reason of the fact that Japan is one of the world's greatest natural silk producing nations, the development of the artificial silk industry lagged behind other rayon-producing countries. In 1918 Japan still had only two artificial silk mills. By 1930 she possessed eleven, with a combined capacity of over 40 million pounds a year. Further expansion has since taken place and to-day Japan ranks sixth in world production of artificial silk.

[1] These figures are for the year 1929—the latest available at the time of writing. For complete statistics covering all departments of the Japanese weaving industry see *Japan Year Book* for 1932, p. 161.

The requirements of the home market are now completely supplied by these Japanese mills, and a rapidly increasing export trade is being built up, exports to all countries increasing (in units of 1000 square yards) from 13,031 in 1928 to 48,719 in 1929 and 89,635 in 1930. The imports of rayon pulp mainly from Norway and Sweden offer further evidence of the growth of the industry, having expanded from 24,124,000 pounds in 1928 to 49,908,000 in 1930.

"Rapidly increasing competition from Japan is a disturbing feature in the British rayon market at the moment," stated the *Daily Mail* (January 13, 1933), "and provides ample reason for the petition which leading manufacturers are about to submit to the Import Duties Advisory Committee."

"Despite the existing duty of 3s. 6d. per lb. imports of Japanese-made rayon fabrics have increased from 1,300 square yards last August to 9,500 square yards in November, and the rising tendency is continuing."

And the same newspaper continued:

"The expansion of the Japanese artificial silk industry in recent years has indeed been phenomenal, the estimated production for 1932 being 55,000,000 lb., which compares with only 3,200,000 lb. six years previously."

The effects of the competition of the new Japanese rayon mills in the Pacific area is shown by the fact that exports of artificial silk products from Japan to the Dutch East Indies increased from 8,900,000 square yards during the first half of 1931 to 14,900,000 square yards during the same period of 1932, while rayon exports to Australia rose from 157,100 square yards during the first half of 1931 to 1,000,000 square yards for the first six months of 1932, and to New Zealand from 8,926 square yards to 172,798 during the same period.

Germany has recently become interested in this new Japanese industry, the Bemberg Rayon Company having

established in 1929 a rayon plant at Osaka in conjunction with the Japan Nitrogen Fertiliser Company, to produce the finer qualities of artificial silk. This mill, capitalised at 10 million yen, has a production capacity estimated at 2,000,000 lb. a year.

Next to the textile group, the most important industry, from the point of view of national needs, is engineering. According to the latest available figures, for 1929, Japan possesses 1,610 companies engaged in engineering enterprises, of which 308 are engaged in the manufacture of electrical machines and tools, 390 in the construction of machinery and 83 in shipbuilding.

The growth of the engineering industry has placed Japan in a position to supply her needs for certain important classes of war material. Home production of turbine engines, for example, now suffices to meet the entire requirements of the Japanese Navy, while the Army arsenals and the Mitsubishi Aircraft Company are now turning out sufficient aero engines of the Salmson, Hispano-Suiza and Nevia types to supply practically all the needs of the Japanese Air Force.

The output of other classes of iron and steel products is rapidly expanding. The value of boilers and steam turbines produced at the leading works (such as the Nagasaki and Kobe workshops of the Mitsubishi Company, the Kawasaki shipyards at Kobe, the Kobe Iron Works, etc.) rose from 1,121,000 yen in 1927 to 5,644,000 yen two years later. Output of steam engines was valued at 24,396,000 yen in 1927 and 33,935,000 yen in 1929; and of electric motors from 21,299,000 yen in 1927 to 23,934,000 yen in 1929.

In order to reduce the extent of her reliance upon foreign imports, and to foster home industry, and thus provide work for an expanding population and a greater measure of national security, Japan aims at " self-sufficiency " in vital engineering products. Despite rapid progress in

certain branches of engineering, however, that country is still increasing her imports of iron and steel goods, and it seems probable that she will continue to do so for many years to come.[1] This applies particularly to the automobile industry, still in its very beginnings. Present production of private motor cars is negligible, while the production of commercial vehicles does not exceed thirty per month at two factories; these are mostly absorbed by the Army.

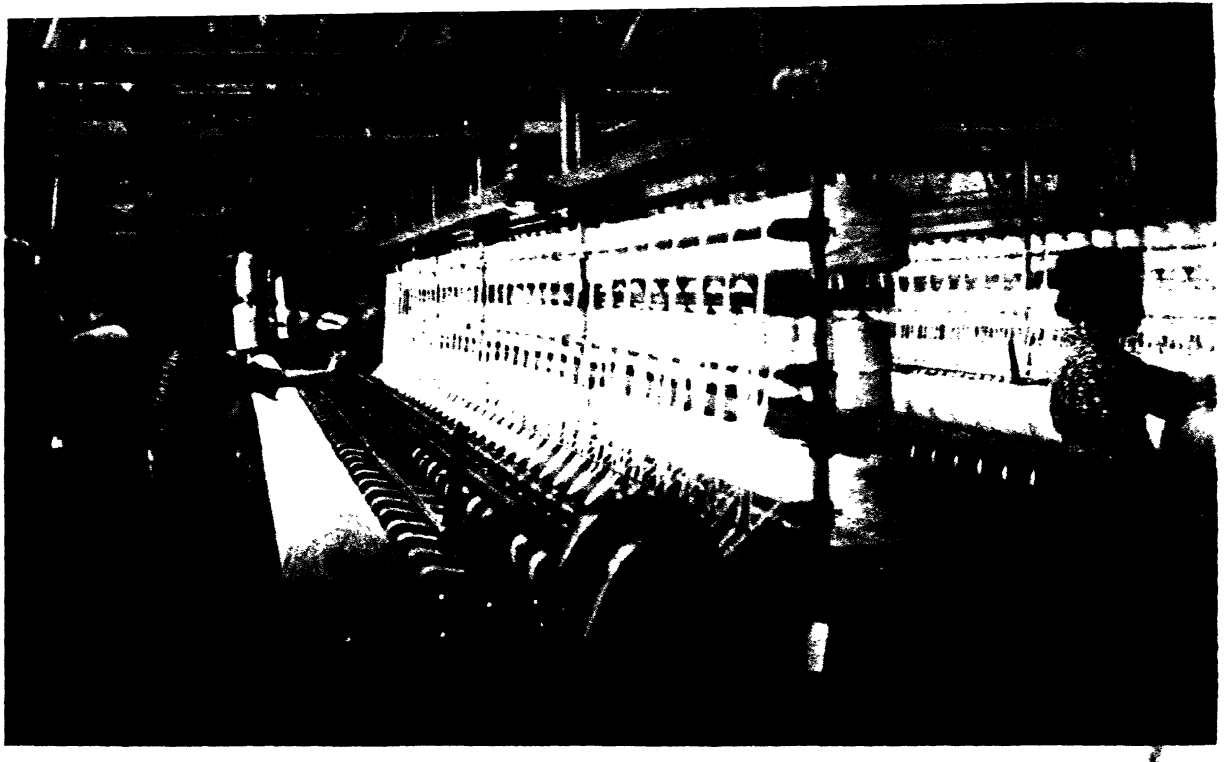
Imports of automobiles, on the other hand, have been increasing at the rate of 25 per cent per year, and amounted to 33 million yen in 1929. Out of approximately 100,000 cars of all descriptions now in use in Japan, 80 per cent are of American origin or design. The Ford and General Motors Companies have both established offices and factories in that country, and it is perhaps not surprising, therefore, to discover that fully 65,000 of all motor cars now licensed are the products of those firms.

Next in importance in the internal economy of Japan is the chemical group of industries, comprising paper and wood pulp mills, and leather, lacquerware, soap, oil and fat factories; cement and glass works, the production of artificial fertilisers and sodas.

The paper industry has become one of the major industries of the country, the yearly production of nine companies, operating about 165 paper machines, totalling 750,000 tons per annum.

The production of wood pulp, insignificant before 1914, is rapidly extending, amounting (in 1000 lb.) to 201,318 in 1914, and 1,401,203 in 1930. The cement industry comprises 31 factories with a normal full-time capacity of 20,652,000 barrels, of which the largest works (the Asano) produce 80 million barrels. The competition of German and British cement companies has resulted in

[1] According to the Customs Returns, the value of metallic products imported into Japan rose from 502,498,000 yen in 1928 to 689,503,000 yen in 1929.



JAPAN'S TEXTILE INDUSTRY
Women operatives at work in a Japanese spinning mill.

Japan losing many former markets in India and the South Seas, but the home demand is increasing at the rate of 500,000 barrels per month, and some increase in Manchuria's requirements may assist in absorbing the products of this expanding industry.

Because of its importance in the event of war, the production of sulphate of ammonia and nitrogen compounds has a special interest at the present phase of events. There are four companies engaged in the manufacture of nitrogen compounds, with a total output of 75,000 tons. The production of sulphate of ammonia is more advanced, the annual output being in the neighbourhood of 200,000 tons, of which 50 per cent is produced by the Japanese Nitrogenous Fertiliser Company. Plans are now being prepared which will double the national output in the near future. "It may be noted that the acquisition of Haber's patent during the World War has done much for the development of this branch of the chemical industry in Japan," states the *Japan Year Book*.

The vast majority of the workers employed in Japanese factory industry, briefly surveyed above, are still unorganised, the existence of a multitude of small industrial establishments employing only a handful of workers being one of the factors which account for the slow growth of trades unionism in Japan.

For the beginning of that movement it is not necessary to go further back than 1912, when the Yuai-kai (Fraternity Association) was organised by Mr. Bunji Suzuki to promote the study of labour problems and mutual help among the workers. This was in reality a friendly society, launched with only fifteen members, but it marks the beginning of organised labour in that country.

Following the formation of this society, a number of small organisations appeared in various parts of the country, planned on the same lines as the Western trade unions. These unions, in many cases, affiliated themselves to the

Yuai-kai, and in 1919 the parent body admitted its steadily expanding status by changing its name to Nippon Rodo Sodomei—the Japanese Federation of Labour. At that date the federation represented 71 trade unions, with a total membership of 30,000.

The growth of syndicalist feeling within the Federation, represented by Mr. Sakaye Osugi, a famous anarchist who was assassinated in 1923, divided its forces and retarded its development. The presence of Communist elements further divided counsel. Faced with the imperative need of deciding upon the real aims of organised labour, a meeting was held at Osaka in 1921, at which the Federation rejected the syndicalist creed by a huge majority, while at the same time expressing guarded interest in the theories of the Bolshevik element within its ranks.

The battle between the moderates and extremists continued for a further three years, when those who held that the Federation should cease its opposition to parliamentary methods, and use the Diet as a platform for the defence of the workers' interests, decided to force the issue, even at the cost of a split in the ranks of labour. Upon a vote being taken, it was found that the moderates had carried the day, but only at the cost of a secession of a large group of unions—19,456 members voting against communism, and 10,778, representing 27 unions, voting for an extremist policy. The latter group accordingly seceded from the Federation, and formed a rival organisation, the National Council of Japanese Labour Unions, which was declared an illegal body by the Japanese Government in 1928, but continues as a secret society.

Since the great split, the Japanese Federation of Labour has made steady progress, its membership in 1932 comprising 68 unions, representing 45,000 workers. In addition to this body, and its illegal Communist rival, there exist to-day three independent labour groups, the most important of which is the National Association of

Trade Unions, formed by Mr. Aso, following a disagreement within the ranks of the Federation concerning the founding of the Social Democratic Party as the political instrument of that body, in 1926. Mr. Aso objected to the political programme endorsed by the Federation, desiring that the principle of theoretical communism should be inserted into the creed of any parliamentary party to which the workers gave their organised support. He therefore left the Federation, and formed both the National Association of Trade Unions and its political instrument, the Japan Farmer-Labour Party. This action did not lack backing from the workers, with the result that to-day the Association has a membership of nearly 50,000 workers, representing 71 separate unions, and is thus larger than the Federation itself.

The total number of organised workers in these and other trades union bodies was, in 1932, about 375,000. As the total number of workers in Japan is nearly 5,000,000, this means that, after twenty years of activity, less than 10 per cent of the total labour forces of the country are organised at all.

The slow growth of trades unionism in modern Japan may, perhaps, be traced to the paternalism which exists in labour relations, and to the history of labour relations in all but the large industrial establishments.

Until comparatively recent times, many employees lived under the same roof with the families of their masters, and were treated almost as members of the family. Hard-working clerks frequently became the husbands of daughters of their masters, and in Japan to-day there may still be found large numbers of shopkeepers and small producers who owe the ownership of their businesses to this practice. This type of paternalism is now, with the march of progress and the development of large-scale industry, dying out.

Social services, although of recent growth, were being rapidly developed up to the beginning of the world

crisis, and are likely to be extended again in the near future.

Most government and private industrial establishments possess organised mutual aid associations, ensuring their workpeople of death, sickness, retirement, and other benefits. The membership of these societies exceed 600,000, of whom over half receive benefit under some category in the course of the average year.

Since January 1, 1927, health insurance has been compulsory for all workers under the protection of the Factory and Mining Laws earning less than 1200 yen per year. Figures for January 1929 showed that 1,011,422 persons in government employment and 739,145 in private employment—a total of 1,750,000 workers—were covered by this scheme, which is modelled upon the British national insurance scheme, contributions being paid by the State, employers and employed. At the same date there were 32,303 doctors, 8,198 dentists and 6,797 chemists employed in administering the scheme.

The continuing expansion of Japan's industrial equipment, already noted in this chapter, and dictated by national needs and national policy alike, has been achieved in the face of considerable difficulties—difficulties which pre-date the world trade crisis. The post-war decline in Japanese trade dates from 1920, although its effects were for a time obscured by the minor boom in constructional and other enterprises which followed the great earthquake of 1923. Japan has, therefore, faced eleven years of almost uninterrupted difficulties in the important sphere of trade.

Not until 1927, a year of bank failures in Nippon, did the government awaken to the need for drastic action, and introduce a policy of retrenchment and economy. Subsequently, close attention was paid to the financial position of the country. New expenditure was not encouraged (until the Manchurian adventure forced the hands of the nation's financial advisers). Rationalisation and reorgani-

sation became the favourite formula in industry. An improvement in the national position followed and in January 1930 the government removed the embargo on the export of gold.

Unfortunately, the effects of the oncoming slump in other parts of the world caused this return to gold to accelerate the disastrous decline in commodity prices. The result was that while Japanese exports for the first half of 1931 (under the Gold Standard) showed an increase, measured by quantity, of 5 per cent over those of the same period of 1928 (when the gold embargo was in force), measured by values the yield of the expanded exports showed a fall of 40 per cent over the 1928 figures. And this decline in values continued. For the month of September 1931 the volume of goods exported was 10 per cent greater than in 1928, while the value had fallen to 58 per cent of the corresponding month in 1928. Imports increased in quantity, and declined in value, to almost exactly the same extent.

These figures, if allowance is made for the effects of the world price decline from which no nation could escape, offer remarkable evidence of the strength of Japan's industrial position, and suggested that nation would be one of the first to recover from the effects of the depression.

Events during 1932 confirmed that view, for by the end of that year Japanese industry was enjoying a minor "boomlet" at a time when other industrialised nations were still scanning the economic skies for any break in the clouds.

"The course of foreign trade continues to be encouraging," stated the Tokio correspondent of the *Economist* (January 7, 1933). "The November returns show that, as compared with the corresponding month of last year, imports increased by 38,272,000 yen, or 47·3 per cent, and exports rose by 74,824,000 yen, or 97·1 per cent. The increase in imports is accounted for largely by raw cotton,

raw wool, wheat and machinery while ammonium sulphate alone on the leading list recorded a notable decline. On the export side textile goods are responsible for nearly one-half of the expansion; raw silk, cotton manufactures, and rayon piece-goods have all done exceedingly well. The excess of exports over imports for November amounted to 32,611,000 yen, as against the import excess of 3,921,000 yen in November 1931. The total visible adverse balance of the year was reduced to 33,496,000 yen, as compared with 59,825,000 yen in the same period of last year."

Further evidence of the "tonic" administered to Japanese trade prospects by the departure from the Gold Standard in 1932, and the depreciation of the yen, was afforded by the Tokio Stock Exchange:

"The total value on December 1st of all shares quoted at the Tokio Stock Exchange amounted to 3,786,957,000 yen, against 3,256,670,000 yen on November 1st, and 2,375,824,000 yen on December 1st, 1931. A cheerful tone has been prevalent in most markets but the gain is most conspicuous in rayon, sugar, and steel shares."[1]

This improvement in Japanese trade was, however, purchased at the expense of continued depreciation of the currency, a depreciation which the Minister of Finance, in an interview with a newspaper correspondent, declared to have been partly due to exchange speculations. And it is known that the government are anxiously watching the further course of the exchange, and are prepared to institute some measure of control if the fall is not arrested.

The condition of Japanese industry and export trade at the beginning of 1933, therefore, may best be described as sounder than in the immediate past, but with certain factors present, notably the depreciation of the currency, which caused some anxiety to all those who looked deeper than the tendencies revealed by trade figures and stock exchange prices.

[1] *Economist*, January 7, 1933, p. 25.

Meanwhile, fired perhaps by the example of Soviet Russia, but more directly by the knowledge that while Japan's position, from the political and military point of view, among the leading Powers was unchallenged, the same could not be said of her industrial development, the Seiyu-kai set up, early in 1930, an Administrative Investigation Commission, charged with the task of preparing a Five Year Plan for the ordered development of the industrial resources of the nation.

Trades in which output is to be increased.	Amount of annual Government subsidy. (In million yen.)	Annual amount of increased output. (In million yen.)
Cereals	30	150
Cocoons and raw silk	20	200
Livestock	10	10
Marine products	10	50
Forest products	10	50
Minerals	10	40
Basic industries	24	400
Textiles	6	100
	120	1000[1]

Following two years' intensive investigation, this Commission produced its report, which was adopted as a main plank of the Seiyu-Kai Party.

"In general terms, the Five Year Plan provides for certain urgent measures, with a view to tiding over the present economic crisis, and also outlines a comprehensive scheme for the radical reconstruction of our national economy," states Mr. Jotaro Yamamoto, who presided over the deliberations of the Commission. It provides for an increase of production by governmental assistance, while at the same time providing for absorption of the articles thus produced. The preceding table shows the estimated increases in output in the various trades together with the

[1] *Contemporary Japan*, June 1932, pp. 46–7.

amount of annual government subsidy which will be necessary to produce these results. It should be noted that the subsidies will only be continued over a period of five years, whereas the increased output can be maintained permanently once the initial assistance over the five-year period has been given. In some cases, of course, the extension of output will begin before the expiration of the full period, but the figures shown are simply those of the ultimate increase.

The effects of this bold plan are expected by its principal author to be (*a*) an increase in exports amounting to 200 million yen; (*b*) the solution of the unemployment problem, which in turn is one phase of Japan's pressing population difficulties—this result will be achieved by checking imports on the one hand and increasing home production on the other; (*c*) it is intended to revise the national economic policy and place it upon a new and sounder basis, an annual appropriation of 120 million yen being voted for that purpose during the period of the Plan.

"In the realisation of the Five Year Plan," states Mr. Yamamoto, "the development of agriculture, manufacturing industries and exports comes first in order of importance. In the case of agriculture, urgent measures must be taken for exploiting agricultural resources by adjusting and expanding the arable areas on a basis of scientific and economic principle. Seeing that our manufacturing industries hold an important position in international economic relations to-day, and that nearly all the goods produced by modern mechanical industry are imported in excess, with the exception of raw silk, cotton yarns and cotton goods, measures must be taken to bring the manufacturing industries of the country up to a much higher standard of efficiency."

In normal years the value of imports into Japan amounts to about 2400 million yen. The authors of this Plan

believe that this figure can be reduced by at least 600 million yen provided the whole nation co-operates on making the Plan a success. This aims especially at reducing the volume of imports classified under iron, machinery, automobiles and ships, chemicals, fibres, sugar, timber and agricultural products. In particular the Plan, if carried into effect, would make Japan independent of foreign supplies of iron and steel goods (though not, as we shall reveal in the following chapter, of the raw materials of those industries).

This result is to be attained by the raising of high protective tariff walls round Japan to keep out all goods that can be produced within her own frontiers, with or without government aid.

" As to the question of finding the resources necessary to carry out the plan, it is not so difficult as it may appear to the casual observer," adds Mr. Yamamoto. " The funds required for the purposes were originally 500 million yen, but now that the gold embargo has been replaced and all branches of industry are expected to be stimulated into a greater vigour, the sum necessary will be reduced to about half of the original estimate. . . . An increase in tariff revenue and the income from extraordinary taxes to be imposed on luxuries will well-nigh meet the expenses. Such taxes are levied in one form or another in most Western countries and we consider it in no way irrational that the relatively well-to-do classes should bear their share of the nation's burden at this critical hour. These taxes will, of course, be but temporary measures, no general increase of taxation being contemplated in the Plan."

It is uncertain whether Japan's " Five Year Plan " will ever be tested by actual experience. It may, however, be taken as evidence of the national concern that the industrial position of the nation should be strengthened by every means possible, and as evidence of the urgent need for a

steadily expanding industrial structure as the only alternative to widespread and chronic unemployment due to the increasing numbers of persons reaching working age each year.

Those two factors—the desire to dominate the markets of Asia, and the role of " shock absorber " which Japanese industry must play in maintaining the prosperity and well-being of a rapidly expanding population—lie behind the comprehensive and continued efforts, backed by government aid, by which Japanese manufacturers have built up their world trade, and by which they hope to extend it further. Those same two facts lie behind one further fact, that taking 1928 as 100, Japan had an industrial production of 107 in July 1932, Sweden had 88, Britain had 80, France 73, Germany 53, America 53, the World 67.

At that date Japan, alone among the industrial nations, had actually increased the volume of her production since the beginning of the world depression. Can Japan keep it up? Will her bid for a virtual monopoly of Eastern markets, coupled with self-sufficiency at home, succeed? It may, but there remain great difficulties in the path of those who control her industry. The greatest of all these difficulties—Japan's dependence upon foreign sources for supplies of the raw materials of industry, including coal and iron—we shall examine in the next chapter.

For factories, however modern and well-equipped, and labour, however abundant and cheap, are useless in the battle for trade unless abundant supplies of raw materials are also available to keep the factories occupied. And it is when the position of Japan in the matter of raw materials is placed under the searchlight that the Achilles heel of Japanese industry comes into view, and the " expansionist " policy of recent years, culminating in the " annexation " of Manchuria, is seen in a new light.

CHAPTER IV

COAL AND IRON—THE FACTS

THE truest method of measuring a nation's industrial power in a time of peace is to analyse the wealth of raw materials under its own control. In time of war the natural resources and their situation become doubly important. For steel-works, shipyards, arsenals and factories all alike depend upon plentiful and uninterrupted supplies of raw materials.

Is Japan well off in the vital supplies of iron, coal, copper, tin, oil, and those other natural resources vital to her existence as a first-class Power?

"Japan is poor in mineral resources," states the *Japan Year Book*, "and it is only copper that she produces more than enough to supply her requirements. In iron, coal, petroleum, and some others she is hardly self-sufficient, and has to import a good deal from abroad."

It has been estimated that the deposits of iron ore in Japan Proper amount to 83 million tons. There is a further 125 million tons in Korea. Not all the Japanese deposits are commercially workable, however, and imports of iron ore into that country are increasing, rising from 1,617,000 tons in 1928 to 1,973,000 in 1930. This imported ore comes mainly from three sources: the Tayeh and Tao-chung mines in China, from Johore, and from Manchuria. Only the last-named source of supply is under Japanese control, and—even more important in certain eventualities—near enough to Japan for the Navy to afford certain protection to vessels carrying supplies of the precious ore to her factories. Hence the importance which Japan attaches to the great Anshan and Penchihu mines, situated on the South Manchurian Railway. Hence, also, the thoroughness with which she set about the task of developing the rich iron ore deposits in that region.

The three districts where deposits of iron exist are Anshan, Kungchangling and Penchihu, the total estimated

quantity of iron available being 700 million tons of poor-grade ore and 6 million tons of rich ore.

To develop this Manchurian ore, the Anshan Iron Works came into existence, with a potential output, on paper, of one million tons a year. The prevalence of low-grade ore in that area delayed output at first, and by 1927 production still totalled only 200,000 tons a year.

Realising that special methods were needed if the low-grade ores were to be worked, the enterprising Japanese engineers perfected a method of reducing the low-grade hematite into magnetite and then concentrating the ore by means of magnets. And the South Manchurian Railway Company, which, be it remembered, is directly linked with the Japanese Government, invested over 10 million yen in this development by which, it is hoped, the whole of the Manchurian iron-ore deposits will be made "workable."

The Japanese authorities are now planning to establish a new enterprise, to be called the Showa Steel Works, which will be even larger than the Anshan plant, but the plan has been delayed by recent events, and also by the difficulty of deciding upon a site for the new works.

Next to iron in importance is coal. Japan's resources of this mineral, according to an estimate made a few years ago, amount to about 10 billion tons, plus one billion tons of anthracite in Korea. Of the 10 billion tons of bituminous coal, however, only about half can be worked under present conditions.

The consumption of coal, on the other hand, while stationary at the moment, has rapidly increased during the past thirty years, rising from 11 million tons in 1907 to 30 million tons in 1927. Leaving aside the additional requirements which would arise if Japan's Five Year Plan for industrial expansion were carried out, that nation's workable coal reserves will be nearing exhaustion by 1970. Yet no industrialised country has ever maintained

its position as a first-class Power without access to abundant supplies of coal. Here again we see the vital need to Japan of consolidating her privileged position in Manchuria. For the coal deposits of that region are estimated by the Japanese themselves to reach the colossal figure of three billion tons.

" Of all Manchuria's natural resources, coal heads the list," states the *Osaka Mainichi* of June 25, 1932, in a survey of Manchuria's mineral wealth. " The principal coal mines are at Fushun, Yentai, Hsintai, and Penchihu. Of these Fushun's annual output of coal reaches 7 million tons. The mine's coal stock is believed to amount to one billion tons. The Yentai mine annually produces about 150,000 tons of coal. Its total supply is estimated at 40 million tons. The Penchihu total is said to reach 200 million tons.

" Regarding the Hsintai mine, the supply yet remains unknown, but it is roughly estimated at 1,110 million tons, a larger figure than that of Fushun. Smaller coal mines number almost fifty, and the supply of these mines and that of the greater mines combined reach the colossal figure of more than 3000 million tons."

" With this fact in view," significantly adds the *Osaka Mainichi*, " Japan will never have a coal shortage as long as she has her interests in Manchuria." And we may add that in addition to these rich coalfields of Manchuria, there exist coal reserves in the eastern part of Inner Mongolia, estimated to exceed 1,200 million tons. Clearly, therefore, the nation which controls that " Land of Plenty " will have no reason to fear a fuel shortage, either for industry or shipping.

Japan's position in regard to petroleum is even more unsatisfactory. In 1930 the consumption of petroleum reached 412,510,000 gallons, of which 338,310,000 gallons were imported. Taking the detailed figures showing consumption of various grades of oil for the previous year,

Japan's absolute dependence upon oversea supplies of oil, both for industry and for her armed services, becomes clear. Thus out of 122,600,000 gallons of petrol consumed in 1929, all but 20,000 gallons was imported; of 45,500,000 gallons of kerosene, 38,000,000 gallons was imported, and of 157,700,000 gallons of fuel oil only 6,000,000 gallons was of home production.

In regard to oil, it has not been found possible to turn to Manchuria for the means of attaining independence of more distant sources of supply. In the Fushun area, however, there exists a deposit of shale oil estimated to amount to 5,500 million tons. Once again, the ability and enterprise of the Japanese engineers concentrated on the task of developing this reservoir of natural wealth, with the result that, by a process of dry distillation, it has been found possible to obtain the following products from every ton of shale oil treated:

Petrol	1½ gallons.
Kerosene	4½ ,,
Fuel Oil	5½ ,,
Lubricating Oil	1½ ,,
Wax	20 lb.
Ammonium Sulphate . .	40 ,,

Ovens for treating the shale oil by this method were erected at the colliery at a cost of 7,500,000 yen, and prior to the Far Eastern crisis, this plant was turning out 27,000 tons of crude oil and 7,000 tons of ammonia sulphate a year.

Of all the mineral products of Manchuria, however, magnesium is, next to coal, the most important. Surveys already made by Japanese engineers suggest that about 600 million tons of magnesium are contained in the Manchurian hills, and that the further deposits beneath the surface are practically inexhaustible.

"At present only about 30,000 tons are produced annually," states the *Osaka Mainichi*, "and these are used

in the manufacture of fire-proof bricks and linoleum. About half of the magnesium ore is now exported to Japan.

" What is considered to be promising about the magnesium enterprises in Manchuria is the metal magnesium industry. So far, however, plans for its development are not complete. Such magnesium is one of the lightest metals known. As a material for aeroplanes, for instance, metal magnesium is far better than aluminium. The only defect is that it easily corrodes and is affected by salt air."

Reports suggest, however, that the Japanese Central Research Laboratory, after intensive study, has succeeded in making magnesium alloys that are less susceptible to salt air, and if this is true, then the importance of these magnesium deposits to Japan will be greatly increased.

Other important resources of Manchuria include sulphate of ammonia, of which the South Manchurian Railway is planning to produce 70,000 tons a year in a new plant to be erected at Dairen, the hard oil industry, and the aluminium industry, it being estimated that a billion tons of clay containing aluminium lie buried in Manchuria.

" With the exception of sulphate of ammonia, the new industries that will arise in Manchuria and Mongolia do not threaten to enter competition against Nippon, because they are either enterprises of an entirely different nature from Japan's, or because they supply raw and semi-finished materials to Japan."

Thus the writer of the survey in *Osaka Mainichi* sums up the industrial significance of this region to Japan. He continues: " Manchuria and Mongolia are not suitable for industries that require highly developed technique and skill, for these enterprises require the employment of specialists who must be imported from abroad. . . . It is believed, in the circumstances, that the division of work and co-operation between the manufacturing industries of the new Manchurian Republic and Japan will be well mapped out without causing rivalry between the two."

That " division of work " has, indeed, already been enforced, and the vital position of Manchuria's mineral resources in the industrial economy of Japan translated into hard fact. So much becomes clear from an examination of the destination of Manchuria's exports.

The value of coal and coke exported during 1929 was 37,620,633 Haikwan taels. Of this total, two-thirds represented exports to Japan. Exports of " other mineral products " totalled 970,870 taels, of which 917,318 taels represented raw materials purchased by Japan. Out of iron and iron manufactures valued at 7,371,348 taels, exports to Japan accounted for 6,595,758 taels.

The " grand total " of Manchuria's entire export trade for that year amounted to 425,651,491 taels, of which Japan took 168,855,713 taels, or nearly double the amount purchased from Manchuria by China Proper, the country next on the list of Manchuria's customers.

In the following year (1930) half the coal and 80 per cent of the iron, and iron products, exported, went to the same destination. Similarly, Japan purchased from Manchuria more soya beans, beancake, millet and cereals than any other country. The total value of Japanese imports from Manchuria in 1930 was 121,405,498 yen, representing just over 20 per cent of her total imports from Asia.[1]

If we broaden the basis of this brief survey of the mineral wealth of the Far East, and look, not only to Manchuria, but to China and the whole of Asia, the striking fact emerges that in 1930 Japanese imports from Asia almost equalled in value her imports from Europe and America combined! And the nation at the head of the list of Asiatic imports is China.

How far could China, if she willed, satisfy Japan's urgent and ever-growing needs for raw materials? The reply to that question is startling in its implications. Reserves of iron ore in China amount to nearly 700 million

[1] *Financial and Economical Journal of Japan*, 1931, p. 127.

tons, compared with iron reserves of 83 million tons in Japan, and 125 million tons in Korea. And China's coal reserves are estimated at the almost astronomical figure of 400 billion tons!

China, indeed, possesses abundant supplies of all the vital raw materials except platinum and nickel, and especially of those natural resources of which Japan stands in need if her expanding industries are not to be impeded by shortage of supplies.

This question of Japan's dependence upon foreign sources of supply for her domestic needs has undoubtedly been a factor in shaping the foreign policy pursued by successive governments, especially in the Pacific area. Nor can Tokio yet feel that a position of security has been attained, for in the event of hostilities preventing necessary imports from distant lands, the weakness of Japan's position would be immediately apparent.

Taking 1927 as a typical year, for example, we find that Japan produced 3,394 tons of lead and imported 55,567 tons. She produced 17,498 tons of zinc and bought 44,976 tons from abroad. One-third of the aluminium needed for her factories was imported. She produced 619,138 tons of salt and imported another 218,396 tons. A substantial part of her requirements in magnesium, cowhides and cotton had to be purchased abroad. Only in the case of coal and copper is Japan able, if the need ever arises, to supply her own needs for a limited period without any importation.

To rectify that condition of dependence, and to ensure supplies of iron ore, coal, magnesite, and other materials near enough to her harbours for the uninterrupted transport of supplies to be guaranteed by the Japanese Navy, is one of the reasons why Japan to-day remains the virtual controller of Manchuria. In the event of war, Japan confidently counts upon her industrial enterprises in that region to replace more distant sources of supply. If

imports of iron ore from the Johore and Tsinganu mines, which she owns in Malaya, and from which she receives 38 million tons of iron ore annually, are cut off, the Anshan mines in South Manchuria are near enough to make good the deficiency.

Japan's intention to consolidate her position in that region is without doubt. The only doubt is whether her planned industrial expansion, possible only by increasing her imports of raw materials, may not cause her to seek further " concessions " in China which will place more of the mineral wealth of the former Empire in her hands. And whether, in that event, the Powers interested in the Far East, including Soviet Russia, will be prepared to watch the Island-Empire solve one of the problems which at present block her path to the hegemony of the Pacific.

History will probably record that Japan successfully surmounted the most dangerous obstacle of all when her Army authorities struck in 1931, for the figures given in this chapter reveal clearly that had the Chinese administration of the Three Eastern Provinces succeeded in their avowed intention of making the Japanese position in that area untenable, and secured the reversion of Manchuria's natural wealth to China, Japan would have been forced to abandon all hope of waging a successful war—now or later —in defence of her national interests as viewed from Tokio. With access to Manchuria secured by a permanent garrison in occupation of that country, and guaranteed by her navy, Japan can declare with truth that the resources of raw materials indisputably at her command have been more than doubled since 1931. Which means the doubling of her industrial security in times of peace, and the transformation of her national position in the event of war.

On the night when Japanese armed forces seized Mukden, the whole balance of power in the Far East tilted in favour of the enterprising yellow race which has applied so well in Manchuria the lessons which it learnt from the

West. And it will not tilt back—Japan will see to that. The strategic position, as it existed at the time of the Washington Conference, has gone for ever. Iron ore, coal and magnesium, and soda ash may not sound of such vital importance to a world which is suffering from a surfeit of these things, and would willingly sell Japan all she needs at record low prices. But in the event of Japan's future policy of expansion bringing her into conflict with any other nation, these things will count. On that day, the Japanese grip upon Manchuria's mineral riches may mean her salvation.

Not for nothing do the Japanese call that region the "Valuable Vault of the Far East."

CHAPTER V

HOW RICH IS JAPAN?

ONE of the disadvantages of adventures in empire-building, and policies of expansion, is that while if successful they may yield a rich reward in the future, the expense involved cannot be met by deferred payments; the bill is presented even as the political and military "victories" are gained and must be paid forthwith.

We have examined the resources of the Japanese Empire in man-power, industrial wealth, and raw materials, and the problems arising out of those factors. What of the money-factor? Is Japan rich enough to finance further adventures on the mainland of Asia, or to view with equanimity the possibility of a financial embargo being imposed upon her by the great creditor nations?

While it is probably true to say that financial considerations play a smaller part in arriving at decisions on foreign policy at Tokio than is the case with most European nations, Japan is no longer in a position to ignore the repercussions of military adventures upon the financial strength of the country. From the moment when that nation first aspired to the rank of a world Power, she surrendered her financial independence, and has since become, to an increasing extent, dependent upon money —whether secured internally or externally—for the rapid development of her resources and her position in the council of the nations.

The part which finance has played in the rise of Japan is clearly shown by the story of her National Debt.

When the Imperial Government was restored in 1868, the Japanese National Debt amounted to 4·8 million yen. Following the Restoration, a sum of 173 million yen was raised and expended in pensioning off the clansmen disbanded by the new régime. The Sino-Japanese War added another 143 millions to the debt, making a total of 351 million yen in 1896.

During the ten years that passed before the Russo-Japanese War, there was a further increase of 188 millions, the price of the rapid modernisation then proceeding, and the industrialisation which was a prominent feature of that period. The Russo-Japanese War brought victory to Japanese arms, but at a price—no less than 1500 millions was added to the National Debt before the Czarist forces were defeated and Japan thus secured her " special interests " in Manchuria. In 1905 the Debt stood at 2189 million yen.

The next big increase came in the following year, when a sum of 606 million yen was raised to pay for the nationalisation of the Japanese railways. And at that level of about 2,590,000 yen the Debt remained until the end of the war in 1918.

Turning to recent years, the effects of the dislocation of world trade, the great earthquake, and the policy of financing expansionist adventures by borrowing are clearly evident. By 1923 the amount of the Debt was 3880 millions, and the task of restoring the ravages of the earthquake disaster added another 545 million yen to the bill.

The financial crisis of 1927 was responsible for an increase of a further 700 million yen in Japanese national indebtedness, bringing the grand total of the National Debt outstanding on March 31, 1930, to 5,959,457,087 yen. This sum involved at that date an annual charge for interest and amortisation of 290 million yen, an annual burden equal to nearly the whole amount of the National Debt in 1896.

The effects of the Manchurian and Shanghai " adventures " upon Japan's financial position are clearly revealed by the fact that since March 1930 the National Debt has made a further jump to 6311 million yen in October 1932, to which must be added 250 millions in Treasury Bills and 100 millions in rice certificates—an increase in

the Debt of about 700 million yen in two years. Further, this piling up of debts which posterity must pay continues: the draft Budget for 1933–34 revealing a deficit of 896 million yen which is to be met by further borrowing, either internally or externally.

"Not more than two or three Budgets like the present will be needed to bring Japan's National Debt up to the impressive round figure of 100,000,000,000 yen, or £1,000,000,000 at par," stated *The Times* correspondent at Tokio.[1]

The latest available figure of Japan's National Debt shows that on November 30, 1932, the total figure was 6,521,774 million yen. Of this figure, 5,123,477 million yen represented internal indebtedness, owed by the Japanese Government to its own people, while the amount of the external debt, computed on a basis of parity, was 1,398,297 millions.

The external debt is nearly all held in terms of foreign currency, the interest being payable in dollars, sterling, francs, and other currencies. The amount of annual interest payable abroad has been estimated at $26,225,672, £3,776,259, French francs 20,454,966, and 254,066 yen.[2] The burden of this external interest has been greatly increased by the depreciation of the Japanese currency; at the rate of exchange prevailing in November 1932, it was equivalent to 240,791,000 yen, or about double the par value. Should the yen depreciate further owing to dangers of inflation and the rapid increase of the National Debt, the payment of this interest would impose a heavy strain upon the Japanese Budget.

The percentage of external loans in comparison with the total indebtedness has greatly decreased during recent years, while internal loans show a corresponding rise. Thus while, prior to the Great War, the external loans

[1] *The Times*, December 19, 1932.
[2] *Manchester Guardian*, January 13, 1933.

represented more than 60 per cent of the total National Debt, to-day they account for only 21 per cent of the total. Japan has raised no external loans since the occupation of Manchuria; the last loans financed abroad being the 5½ per cent Sterling Loan and 5½ per cent Gold Bonds issued in 1930, amounting to about 264 million yen.

The salient features of the Japanese National Debt are its comparatively small amount, measured per head of population, and the rapid increase which has occurred over the pre-war figure of 2545 million yen on March 31, 1914. In contrast with some other countries, all the loans raised since that date have been devoted to Public Works and general economic development, or to reconstruction works necessitated by the earthquake of 1923. This is no longer the case, however, for the deficits in the National Budgets during the current and past year—which have been met by an increase in the Debt—are partly due to the "extraordinary" expenditure by the army and navy in Manchuria and China, as we shall show.

The following table, quoted from the Stock Exchange Official Intelligence for 1932, compares the Public Debt per head of population of Japan with the corresponding figure for other countries at the end of 1930:

	£	s.	d.
Japan	6	17	7
Great Britain	160	19	11
U.S.A.	27	18	6
France	89	9	8
Italy	41	15	9
Germany	96	9	3
Belgium	37	1	7
Holland	28	8	9
Hungary	16	11	7
Norway	30	3	8
Switzerland	48	0	5

These figures illustrate how favourably Japan's National Debt, despite the rapid increase which has occurred, compares with the national indebtedness of other countries, and affords some justification for the present policy of financing the expenditure arising out of the conquest of Manchuria by means of borrowing.

A further point of interest concerning the figures for the external debt given above is the small decrease in the amount outstanding since pre-war days—Japan's external loans at the end of March 1914 standing at 1490 million yen, whilst at the end of November 1932 they amounted to 1398 millions. Those figures nevertheless represent a remarkable financial achievement for which Japan deserves full credit, for between those two dates the Government issued foreign loans to finance earthquake reconstruction amounting to 150 million yen. The fact that the outstanding amount in 1932 was less than in 1914, therefore indicates that a substantial proportion of the loans in issue on that year had been redeemed during the eighteen years which have since passed.

In July 1932 foreign loans amounting to £6,000,000 were redeemed in cash. Furthermore, as Mr. Takahashi, the Japanese Minister of Finance, mentioned in a speech before the House of Representatives at Tokio in January, 1932, about half of the outstanding amount of Japanese foreign bonds is held by Japanese investors, a fact which tends to alleviate the problems connected with the transfer of funds abroad, especially since the depreciation of the yen. With half the amount of the external debt service going into the pockets of Japanese resident at home, it may be said that Japan's actual foreign indebtedness amounts to 700 million yen, which certainly cannot be considered an alarming figure for a country whose annual trade amounts to 3000 million yen and whose net invisible trade earnings exceed 100 million yen, after making provision for the payment of foreign debt service and other

foreign payments. In this respect, Japan clearly has an " untapped margin " of borrowing capacity which could be drawn upon in the event of the necessity arising owing to a war or any other national emergency. That statement must, however, be qualified; the fact that the whole net increase in the National Debt since 1914 has been absorbed by the internal investor reduces by a similar amount the surplus wealth upon which the Japanese Government could draw in the event of a war which precluded her from raising funds abroad, as might occur in the event of an open conflict, for instance, with the League of Nations or with the other Great Powers interested in the Pacific area.

The average rate of interest payable on this National Debt is 5 per cent per annum, but the present era of cheap money should, *given a lessening of tension in the Far East and indications of a more pacific policy at Tokio*, afford a favourable opportunity for the conversion of loans to lower interest rates, so reducing the burden on the Imperial Exchequer. Further, out of the total Debt of 6000 million yen, loans which were issued to finance railway construction and colonial development are not charged to the general Budget; for instance, the Imperial Railways provide the interest payments on railway loans amounting to 1700 million yen. Mainly for this reason the percentage of the National Budget allocated to interest and sinking funds on loans is surprisingly low—for 1932–33, out of a total expenditure of 1943 million yen, the debt service amounts to 259 millions, representing only 13 per cent of the Budget total, compared with, for instance, 40·2 per cent, including sinking fund, in the case of Great Britain.

Turning to public finance, as early as 1929, before the effect of the present world-wide depression began to make itself felt and caused European governments to address themselves to retrenchments, the Japanese Government had launched a policy of rigid economy in both central and local expenditure, payments under " General

Account" falling from 1,814,855 million yen in 1928–29 to 1,476,875 million yen in 1931–32, an achievement which enabled the Finance Minister to announce reductions in taxation in that year. Since that date, however, the Japanese occupation of Manchuria, and other military activities which still continue in China, have been responsible for a rapid increase in budgetary expenditure.

For the fiscal year 1933–34, expenditure is estimated at 2239 million yen, and considerable loans issues will, as already indicated, have to be floated to cover the heavy Budget deficit in prospect. It should be noted, however, that, according to Tokio, the increased expenditure which has unbalanced the Budget is mainly of a temporary nature, as Mr. Takahashi pointed out both in his address to the annual meeting of Bankers held at Osaka on November 25, 1932, and in a speech delivered in the Diet on January 21, 1933. The following extracts from that speech are of interest:

"Increased expenditure is mainly attributed to:

(*a*) The emergency measures adopted for the relief works in connection with rural districts, unemployment, etc. (207,000,000 yen).

(*b*) The Manchurian affair (186,000,000 yen, which includes the expenditures for the Army, Navy, Foreign Office, Communication Department, Contingent Fund, etc.).

(*c*) The improvements effected in both Military and Naval equipments (209,000,000 yen in total, out of which 191,000,000 yen is to be regarded as allocated to the works which would contribute to the measures mentioned under (*a*) above.

(*d*) The extra charge due to the depreciated value of the currency (88,000,000 yen)."

Whether the volume of "emergency" expenditure incurred in Manchuria and China will rise or fall in the

immediate future depends upon developments of Japanese foreign policy which cannot be forecast. While the whole trend of Japanese aims is in the direction of foreign commitments which would inevitably impose a heavy drain upon the resources of the nation, it must be remembered that, in the words of one Japanese army official: " the army must be kept, anyway, and the additional expense of keeping it in Manchuria is not over-costly." One portion of the present military expenditure is of a non-recurring nature; for years the Japanese army chiefs have been trying to secure money for the mechanisation and re-equipment of the forces, and could not get it. The exploits of the army in Manchuria having fired the imagination of the Japanese people, the military seized the opportune time, and a programme of improvements has helped to swell the Budget total for the current year.

The emergency relief measures referred to by the Finance Minister, and which are necessitated by the unemployment and abnormally difficult conditions prevailing at the present time in the agricultural districts, are to be completed over three years, beginning in 1932–33. Thus, in the natural course of events, and always assuming both some improvement in world economic conditions and an amicable settlement of the present Sino-Japanese crisis which would " liquidate " in some measure the responsibilities which the Japanese militarists have been heaping up for the future, expenditure should decrease and revenue tend to increase. Present indications are, however, more favourable to an increase in revenue than to a decrease in expenditure, which cannot be achieved without a drastic modification of the aggressive policy of the army and the Government.

In the event of the continuance, or even extension, of Japan's bid for domination on the Asiatic mainland, that country is favourably placed to finance the task of empire-building so long as foreign policy does not affect the

national credit abroad—which is one of the real dangers looming ahead for Japan. In this connection, a comparison of the tax burden, per head of population, of several countries is instructive. The following figures are for the year ending December 31, 1930:

	£	s.	d.
Japan	1	1	5
United Kingdom	15	5	10
U.S.A.	4	13	4
France	8	8	2
Italy	4	9	7
Germany	7	7	7
Belgium	5	14	4

These figures strikingly demonstrate the lightness of the present tax burden in Japan, by comparison with the burden imposed upon the peoples of other countries; Japan's economic power and financial strength justify the assertion that the amount of taxation per head in that country is extremely low, and capable of expansion, whether for military or economic reasons.

The Imperial Statistical Bureau of Japan publishes yearly an estimate of the national income, of which the following examples serve to show that the increase in national wealth has not been less dramatic than the increase in the National Debt:

Year 1912	National Income	2,246	million yen.
„ 1921	„	10,688	„
„ 1925	„	13,382	„

The same Bureau estimated the national wealth to be 102,341 million yen in 1924. It is clear, therefore, that there exists an ample field for increased taxation before Japan reaches the point at which taxation threatens the prosperity of national industry.

Present taxation in Japan is far lower than in other countries. Income tax is chargeable on incomes exceeding

1200 yen annually, the minimum rate being 0·8 per cent. The maximum rate, chargeable on incomes of over 5 million yen annually, is 36 per cent. Corporations are charged at the rate of 5 per cent, and while debentures and other bonds are subject to a small tax of 4 per cent, national Government Bonds are entirely exempt from income tax. The rates of Estate Duty also are exceptionally light in comparison with those payable in other countries, ranging from 0·5 per cent to 13 per cent.

By comparison, Great Britain pays income tax at the standard rate of 25 per cent, and surtax is charged at a progressive rate up to a maximum of 41·2 per cent. The maximum Estate Duty payable is 60 per cent. In France, incomes over 10,000 francs annually pay income tax at progressive rates from 1½ per cent to 40 per cent, whilst Succession Duty is charged at a progressive rate of from 2½ per cent to 56·4 per cent. The income tax rate in Germany, at the time of writing, commences at 10 per cent, ascending to the maximum rate of 40 per cent payable on incomes of 40,000 Reichsmark annually. In addition a property tax is imposed, and Succession Duties vary from 2 per cent to 60 per cent.

In the past, the Japanese government has shown itself most anxious not to interfere with economic development by imposing undue taxation and this policy has contributed in no small measure to the rapid expansion of manufacture and trade during recent years. Practically no increase in taxation has been made since the beginning of the Great War. Even so, revenue from income tax has soared from 37 million yen in 1914–15, to 200 million yen in 1930–31, this amazing increase being directly due to the natural and phenomenal increase in economic activities. On a total taxable income earned by individuals of 2400 million yen in the last few years, income tax paid by individuals amounted to 110 million yen, i.e. an average charge of less than 5 per cent.

As regards Customs Duties, although tariff increases are not desirable in view of the large purchases which Japan must necessarily make abroad each year, larger revenues from this source are certainly practicable, in view of the fact that the customs duty paid during recent years represents only 7 per cent of the total value of imports.

Evidence of the importance which the Tokio government attaches to a " low taxation " policy, as a means of assisting industry and the necessary expansion of trade (upon which a growing population depends for both work and welfare), is shown by the fact that the Minister of Finance is facing a budget in which expenditure exceeds revenue by 70 per cent rather than propose any increase in taxation to the Japanese House of Representatives at this juncture in world affairs.

The revenue for 1933–34 is estimated at 1341 million yen and expenditure at 2237 million yen. The deficit, amounting to 896 million yen, is to be met by borrowing in the form of domestic loans issued by the Bank of Japan. To this deficit must be added a few smaller bond issues for expenditure on pensions, earthquake reconstruction, etc., which will bring the total borrowing for the year to 1100 million yen. In other words, expenditure for the current year will be almost double the revenue, involving an increase in annual interest payments, to be borne by future budgets, of 26 million yen.

The influence of the Far Eastern crisis is clearly discernible in these figures, for army and naval expenditure (including the cost of the Manchurian " incident ") accounts for 820 million yen or 36 per cent of the total. Thus, as *The Times* points out, " military expenditure is this year higher than in 1921, the year before the Washington Conference, when the Japanese and American navies were engaged in competitive programmes calling for 16 capital ships apiece. But in 1921 the harvest of war prosperity still lingered in the form of a Treasury surplus and a

specie reserve of 2155 million yen (£215,000,000). The Treasury is now a borrower, and the specie reserve has vanished from the national accounts."[1]

The effect of this increase in the rate of military expenditure, directly attributable to the expansionist aims of the Japanese government, is that the military estimates have increased by 30 per cent in a year when world trade conditions and financial prudence alike dictated a pruning of unproductive expenditure upon armaments. That 30 per cent, despite efforts of Japanese publicists and army commanders to minimise its importance, represents the cost of the conquest of Manchuria ; by no means, we would add, an exorbitant price to pay for a slice of territory of that size and potential value.

For the previous year—1932–33, the combined expenditure upon the army and navy was 437 million yen, being 22·4 per cent of the total budget. And this figure, which the Japanese regard as " normal," is not considered unduly large by the government. Thus out of the total budgetary expenditure for the pre-war year of 1914–15 of 648 million yen, Army and Navy absorbed 170 million yen, or 28 per cent. Expressed in percentages, the increase since that date is not serious, but considered in terms of money burden imposed upon the Japanese people, military expenditure has increased since 1914–15 by nearly 500 per cent ! In that figure also we see a reflection of the cost of empire-building adventures.

On the other hand, it is only just to add that the estimates for the Education Department have similarly shown a striking increase. In the 1932–33 budget the expenditure of that department accounted for 147 million yen, representing 8 per cent of the total budget, whilst in the budget of 1914–15 the sum of 10 million yen allocated to education represented only 1·6 per cent of the total expenditure.

[1] *The Times*, December 20, 1932.

It is noteworthy that the Japanese budget forms a comparatively light burden upon the nation, due in large measure to the relative smallness of the payments to be made in connection with loans devoted to past military operations. The Russo-Japanese War was financed partly by increased taxation, but mainly by means of loans, as already stated. Since that war there was, until 1931, practically no increase in loans raised for military purposes. Out of a total of 6200 million yen of National Loans now outstanding, the loans raised for military purposes totalled 1650 million yen (March 1931), on which the interest payable at an average rate of 5 per cent amounted to approximately 80 million yen annually, or roughly an equivalent amount to the interest payable on the 1643 million yen raised by loans to finance railway construction in Japan. In some other countries, the burden of loans raised for military purposes weighs heavily upon the national budgets. In the case of Britain, for example, the service of loans of this nature absorbs 30 per cent of the total budget, contrasting strikingly with the Japanese budgetary contribution of 4 per cent for the same purpose.

To the foregoing information concerning the public finances of the Japanese Empire we would add, before turning to consider currency problems and the trade balance, that it is the proud, and justified, boast of those who control Japanese finance, that their nation has never defaulted in its obligations during the 2500 years of its history. Certainly there is no reason, in the absence of major political complications such as might destroy Japanese credit in the money-markets of the world, to anticipate any difficulty arising in the future.

Despite the falling value of the yen in terms of American dollars, or perhaps because of that depreciation, the trade position is more favourable than that of most European countries.[1] The lower cost of the yen to foreign customers

[1] See Chapter III.



THE MEN WHO CONQUERED MANCHURIA
The Japanese 4th Division saluting during manœuvres at the Soto Parade Ground.

has lowered the external price levels of Japanese products, stimulating trade and enabling manufacturers to cultivate new markets for their products. A comparison of Japan's foreign trade figures (including Korea and Taiwan) for the four years ending 1932 reveals the remarkable powers of resistance to the world trade depression shown by Japanese industry.

	Imports (Yen 000's omitted)	Exports	Excess of Imports
1914 . .	633,397	610,532	22,865
1929 . .	2,388,546	2,217,579	170,967
1930 . .	1,680,056	1,518,512	161,544
1931 . .	1,319,227	1,179,201	140,025
1932 . .	1,524,000	1,457,000	67,000

In 1932, compared with the foreign trade of 1931, the exports increased by 23·6 per cent, the imports by 15·5 per cent, while the total amount of exports and imports increased by 483 million yen in value and by 19·3 per cent. This year showed the most favourable trade balance which Japan had achieved in recent years.

Great hopes are entertained for still further improvements in Japan's trading position in the future. Her industries have been rationalised and equipped with modern technical and administrative organisation, while the two "lifelines" of her export trade—raw silk and manufactured cotton goods—have made rapid progress in world markets during recent years, progress which the world slump has not retarded even though the fall in prices has adversely affected the manufacturers concerned.

Japan, like England, must import the bulk of the materials needed for her factories, and must export manufactured goods to pay for them. As we have shown, her balance of trade usually results in an excess of imports over exports, but when her "invisible exports" are taken into consideration, her balance of trade is well maintained. The net receipts from "invisible trade" (excluding

capital movements) during some recent years were as follows:

1920	. . .	180·9 million yen.	
1930	. . .	133·0	,, ,,
1931	. . .	83·6	,, ,,
1932	. . .	130·0	,, ,,

and in 1932 the excess of imports was once more comfortably balanced by the net receipts from invisible trade.

Turning to monetary policy, Mr. Takahashi, in the speech already quoted, mentioned that the Japanese government was taking, and would continue to take, every precaution, in conjunction with the Bank of Japan, to check any undue inflation following Japan's departure from the Gold Standard and the increase in the size of the national Budget. The Finance Minister held the view that the circulation of the currency will be duly regulated and that there is no possibility of causing extreme inflation, with its attendant ill-effects. In this connection, the fact that Japanese imports represent only one-tenth of her national consumption, and that the needs of her people are chiefly confined to rice, fish, and cotton garments—mainly produced at home—is a favourable factor. Nevertheless, some foreign observers have evinced signs of nervousness over recent developments in Japanese finances, nervousness which may be responsible for the weak tendency of Japanese Bonds quoted on the New York and London Stock Exchanges.

Japan went off the Gold Standard, for a second time, in December 1931, and since that date the external value of the yen has depreciated to nearly 60 per cent below par. On the other hand, the official table opposite indicates that the note circulation shows only a slight increase since 1929.

Thus, while the Government's relief measures, increased military expenditure and monetary policy all point to inflation, it has not occurred up to date. While the Bank

of Japan's fiduciary issue has been raised from 120 million yen to 1000 million yen the note issue has remained stationary since 1929, and as recently as September 1932, amounted to only 918,792 million yen.

Given a settlement of the crisis, and a surcease from precarious military adventures likely to disturb the peaceful development of trade within the Pacific area, the position of government finance and Japan's economic power would justify a recovery in the quotations for Japanese bonds as soon as world conditions improve.

NOTE CIRCULATION (BANK OF JAPAN)

(Yen 000's omitted)

1929 (average)	1,267,766
1930 „	1,139,866
1931 „	1,044,382
1931 (on Dec. 15)	1,042,000
1932 (Jan. 15)	1,026,035
1932 (Feb. 15)	1,008,818
1932 (March 15)	1,010,433
1932 (Dec. 15)	1,102,572
1933 (January 7)	1,175,000

Japan is reaping the advantage of enhanced trade, owing to the depreciation of the yen exchange, in the same way as Britain is doing as a result of the fall in sterling. But the depreciation of the yen does not truly reflect the condition of her international balance and the Government is taking the necessary steps to check further depreciation, being anxious to stabilise the yen at an appropriate parity.

The conditions which must govern Japan's return to the Gold Standard are, in her view, exactly the same as those advanced by the British Government before the Expert Commission of the World Economic Conference, namely, that the inter-government debt problems should be settled and trade restrictions removed, price levels should be raised, the distribution of gold supplies adjusted, and,

furthermore, the time and level as well as the particular form of the restoration of the Gold Standard to be decided upon is to be determined only by the proper authorities in the countries concerned. Tokio believes that any attempt to achieve the restoration of the Gold Standard with undue haste might only result in a further breakdown.

The Japanese government, further, declares its determination to adjust the taxation system of the country and take decisive steps towards financial reconstruction as soon as conditions promise effective results.

Such are the facts yielded by a survey of the financial structure of Japan to-day. What are the adverse factors likely to falsify optimistic forecasts, and how far could the Japan revealed in these statistics face the cost of any serious national crisis such as war would involve?

The adverse factors in the present financial position may conveniently be grouped under seven headings:

(*a*) The increase in interest payments on external debt due to the depreciation in the yen exchange.

(*b*) Lower receipts from Japanese investments in Manchuria and China, due to the disturbed conditions in the former country, the continuance of the anti-Japanese boycott, and the unsatisfactory relations between the two nations.

(*c*) Smaller yield from shipping investments, and decline in tourist traffic.

(*d*) Increased military and other expenditure arising out of the occupation of Manchuria, and action in Jehol and elsewhere.

(*e*) Absence of foreign loans, and the damage to Japan's credit abroad due to her aggressive action against China, coming at a time when further extensive investments in Manchuria are unavoidable in the near future.

(*f*) The small gold reserve, which had fallen to 428 million yen in November 1932.

(g) The possibility of an extension of Japanese encroachments on the mainland of Asia, involving further and perhaps extensive military operations and the possibility of opposition from other Powers which, if it occurred, would certainly damage Japanese credit overseas.

Taking all these factors into account, what is the answer to the question: "How rich is Japan?"

The rapidly expanding trade of that nation, together with the small amount of the National Debt, measured in terms of population, and the low scale of taxation, demonstrate that Japan's public finances possess flexibility and are capable of carrying considerably heavier burdens than those at present imposed upon the nation. Japan, thanks largely to having escaped the aftermath of debts and financial obligations arising out of the Great War, possesses a definite and considerable "margin" of taxable capacity which forms a potential reserve of the greatest importance both to her own people and to foreign investors. Leaving aside political considerations of every kind, indeed Japan undoubtedly offers greater attractions to the foreign investor than almost any other country to-day, her external debts being easily "carried" in the normal national Budget, and her national wealth showing steady expansion.

Japan is, therefore, certainly rich enough to withstand any temporary difficulty which might confront that country owing to normal trade and world risks.

On the other hand, he would be a brave financier who would declare that Japan possesses the resources to withstand—unaided, as she might quite possibly have to do—the cost of a Pacific war on a major scale. Certainly, as we show elsewhere, she would be utterly unable to face the consequences of waging war against the united resources and wealth of the United States simultaneously with the loss of her trade with that great nation.

The Russo-Japanese War added a sum of 1500 million yen to the National Debt. That sum could not last more than a few weeks in a conflict with a great Power on the modern scale. And when once the possibilities of raising money internally were exhausted, as exhausted they would be, where would Japan look for financial allies? The London money market would certainly be closed to her. There remains only France. Would the French public, with long memories of foreign loans "frozen" in Central Europe and elsewhere, be willing to finance a yellow war upon a white nation at the other end of the world?

As the manufacturing resources of Japan increase, this money-factor may diminish in importance. More of the machinery of war, ammunition and other war supplies, and food needed to sustain the nation in a conflict may be obtained in Japan and Manchuria by the energy and industry of the Japanese people. But self-sufficiency is not yet in sight. It seems probable that Japan could, if left undisturbed, finance even major operations against China without serious difficulty. Certainly she has sufficient wealth to develop Manchuria. In a wave of national patriotism, she might even prove rich enough to finance a short conflict on the grand scale, at the expense of piling up trouble for the future. But the day is not yet in sight when the Japanese Empire could legitimately challenge one of the Powers, and conduct an extended campaign, without experiencing grave financial embarrassment which would probably prove a vital factor in deciding the issues of the conflict.

In saying that we withhold nothing from either the remarkable progress made by the Japanese nation, nor the wisdom shown by her financial rulers in the past. In the financial sphere, Japan has shown herself not only a nation which can be trusted wisely to husband her national wealth, but also one which observes all the rules of financial rectitude and orthodoxy. Financial "adventures" have no place in the

story of her development. No " South Sea Bubble " marks her rise to the position of a great trading nation. Her reputation for integrity has been carefully safeguarded.

These are hopeful factors when we turn to the future and seek to forecast coming events. For if the extreme Nationalists at Tokio have their way, and Japan decides to embark upon an attempt to secure for herself the hegemony of the Pacific, then she will be on the threshold of financial adventures in plenty. It would be impossible to reconcile the careful finance of the past with the ambitious schemes of domination upon the Asiatic mainland which obsess the military mind in Japan to-day, and the evidence of which is presented in this volume. Either these extravagant aims of conquest must go, and with them the hope of solving pressing national problems by expansion, or Japan's financial history in the future will be different from the past. For up to the present, she has been in the happy position of occupying a position as a first-class Power while shouldering commitments very much smaller than those burdening either the European Powers or the United States. One major adventure, one miscalculation, and that advantage, due largely to the remote geographical position of Japan, and the absence of powerful neighbours, would be lost for ever.

For that reason, the financial stability and the future wealth of the Japanese Empire may be said to be in the keeping of the Foreign Office at Tokio. And that State Department is sometimes held to be little more than the instrument of the army, charged with the duty of carrying out policies originating in the minds of those who command the armed forces of the Emperor. This provides the unknown quantity which makes forecast impossible.

Japan is rich enough to grow and prosper beyond all other nations if her rulers are wise. She is not rich enough to face a major conflict with any other Power. But does Japan realise that?

CHAPTER VI

JAPAN PREPARES!

THE Russo-Japanese War of 1904–5 was in some ways the greatest in history, for it opened up a wide field for the study of strategical and tactical problems which had not hitherto been subjected to practical test. For the first time all the new machinery for the equipment and sustenance of modern armies and navies which science and invention could suggest were tried out in the arena of war as we know it in the twentieth century.

Countless matters affecting directly and indirectly the conduct of operations by sea and land, knotty questions which only serious battle could decide, were settled by the assize of war on a large scale.

But this particular campaign was even more significant, for it threw into the strongest relief the growing might of Japan, and her fixed resolve to consolidate and assume such a position, militantly and politically, in the Far East as would, as far as human ingenuity could assure it, be invulnerable.

From the day when Commodore Perry appeared off the coast of Japan and aroused the island people from their torpor, we can trace the slow and steady rise of Japan, culminating in the giant strides she took after the successful war with China in 1895. Without recounting past history it will suffice to mention that outstanding event in Far Eastern politics, the combined move on the part of Russia, France, and Germany in 1895 that took from Japan the southern half of Manchuria which she had gained by right of conquest. The three Powers intimated to Japan in no uncertain terms that her presence in Manchuria was undesirable in the interests of peace, apart from the menace that it constituted to the capital of China and the danger to Korean independence.

The delivery of this ultimatum had a stunning effect on the entire Japanese people, and so incensed were they at

it that many imagined that courage in itself could overcome the audacity of these hostile Western nations. Here the innate respect for the throne and the Imperial family asserted itself. Recognising the futility of resistance to such a combination the Mikado's government decided to accept the inevitable. The Imperial rescript, signed by the Emperor and countersigned by all his ministers, is a remarkable document, which sheds an interesting sidelight on Japanese psychology, and the trend of policy at this supreme moment in the national fortunes.

The Emperor decided to accept the advice of the friendly Powers, and accordingly Manchuria was evacuated, but none realised what was ahead, nor what was to happen as the result of this move on the part of the three European Powers.

In 1895 the Japanese army numbered only seventy thousand men; the artillery was negligible, and both the naval and military forces had undergone a severe strain as the result of the war with China, from which they had just emerged. True, the navy was blossoming out into an efficient fighting service, but it was in no condition to meet that of even a second-class European Power, let alone to face the united fleets of the combination arrayed against Japan.

In lieu of the southern half of the territory in question an increased indemnity was granted, and with this, and the determination to see it through, Japan set out on a prearranged course. She foresaw the inevitability of a struggle with Russia at some time or other in the future, and so a comprehensive scheme of naval and military organisation was drawn up, aided by the best talent that Europe and America could produce. Month after month, year after year, the preparations went steadily forward to one preconceived objective, backed by a united nation.

Early in 1903 the Russians, who had gone on steadily entrenching themselves in the Far East, consolidating the

ground already won and seeking means by which they might gain more, created a viceroyalty of Eastern Asia. From this it was evident not only to the Japanese, but to the world in general that Russia intended to retain all she had acquired, to make good the gains, and establish an empire in the Far East based on the warm-water port of Port Arthur to which she had long aspired.

There were more Russian encroachments, concessions of various sorts in Korea, and renewed friction with the Japanese, who strove long and earnestly to arrive at an understanding with the Russians which might enable the two Powers to live amicably side by side. But it was not to be.

It is unnecessary to enter into the detail of events which precipitated the Russo-Japanese War. Suffice to say that the two rivals came to grips, with what result all the world knows. The Russian armies were heavily defeated, the Russian fleets lay at the bottom of the sea, and the flag of the Rising Sun floated over the ruins of Port Arthur. Never was a saying more amply exemplified—how are the mighty fallen!

The effect of the Japanese victory had immediate and widespread effect on the Asiatic peoples. It revealed the Japanese in the light of champions who had fought a first-class European Power on ground of its own choosing, and had thereby acquired a definite reputation.

By its alliance with Great Britain it had not only secured the support of the mightiest naval power the world has ever seen, but had contributed an outstanding page to history in that two maritime nations—one European, the other Asiatic—each with its capital city accessible only from the sea, had joined in a combination which was at once so formidable that no other alliance could compare with it in strength and mobility. This partnership with Britain raised Japan in the estimation of the world; it gave her a prestige which went far to establishing the Island-

Empire in the universal regard and, coupled with the success in the war with Russia, invested her with a halo on her entry into the comity of nations.

If the war with Russia had been a great success, it was achieved only by the direst sacrifices. The Japanese nation was exhausted; there is little doubt that they were almost at the end of their tether, and that the conclusion of hostilities came most providentially for the young Power. Had Russia held out a month longer she would have reduced the Japanese to the severest straits, exhausted as they were by the financial and economic strain and the losses their fleet had sustained, no less than the casualties on land. With Russia the supply of man-power was practically inexhaustible; she could command the wherewithal to continue the struggle, but the Japanese, on the other hand, were severely handicapped, and lacked the means both in men and money to carry an extended campaign to a favourable finish.

For Russia internal troubles, mismanagement of the war, the gross malfeasance of official classes, and the fact that the campaign was being fought at a vast distance from the heart of the Russian Empire, showed themselves in a series of disintegrating occurrences which were the beginning of the end. Before the battle of Mukden, the last battle of the war, on which the fate of Japan on land depended, there was still time to stem the tide and avert the impending disaster that was leading towards the break-up of Russia; given a strong and resolute leader it could have been grasped in human hands and brought to a righteous conclusion before Russia was faced with the danger of disintegration, before her dreams of empire in the East had been shattered, before her pride had been humbled in the dust. Again it was not to be; the Colossus of the North was not to escape from the toils in which the ineptitude, the corruption, and the overweening confidence of her leaders had involved her.

So it came to pass that the sacrifices the Russians had made in this tremendous duel were to be in vain; the enemy at home, not the Japanese in the field, was to be the deciding factor in the conflict which the Russians had fought so well and for which they had endured so much.

At this stage another factor appeared; the sixth in the science of war, and one not hitherto exploited, or even thought of. It was propaganda. All became susceptible to its influence, especially the simple Russian peasant who, of all races in the world, is probably the easiest to lead astray, and yet, if well handled, the most amenable to reason and most faithful and devoted of servants and soldiers.

Propaganda in the hands of the forerunners of Bolshevism soon had alarming effects; the confidence of the Russian army was undermined, the Russian people, ignorant of the immense issues at stake and unaware of the prize within their grasp, gave in to the agitator and the demi-god. The revolution of 1905 paved the way to the triumph of Lenin in 1917, and the complete negation of democracy which followed.

After the conclusion of peace Japan set about recovering from the struggle; the years of ensuing tranquillity were devoted to building up the nation, to economic and industrial development, and the application of exhausted energies to the manifold problems confronting the young and rising Power.

The Anglo-Japanese alliance was the rock bottom on which the peace of the Far East was now secured; the era of grab and appropriation of Chinese territory at the hands of sundry Powers came to an end, notwithstanding the impotence and internal discord existing throughout the Chinese Empire.

They were years of peace and quiet during which Japan was able to go on consolidating, preparing ceaselessly and

inexorably for the destiny she has long since worked out. In 1910 Korea was annexed, although its absorption by another Power had always been regarded as a danger to China and threatening to the safety of the capital, Peking, whilst, we were told, it would strike at the sovereign rights of the Chinese Emperor and all that he represented as the ruler over all beneath the sun.

These protestations of other days were no longer applicable; the Japanese declared that it was in its own interests that Korea should be taken over and added to the kingdom of the Mikados. They characterised it as an incurably retrograde land, the Koreans were incapable of setting up on their own initiative any form of government. Chaos and anarchy were said to be rampant all over the country, and the economic situation was so depressed that only Japanese intervention could avert a total collapse of Korea and its relapse into barbarism.

Be that as it may, Korea was placed under Japanese control, and another milestone on the path of Asiatic domination was gained, another step taken towards Japanese dominion in Asia.

From 1910 until the outbreak of the world war matters pursued a normal course and Japan progressed, aided as before by the Anglo-Japanese naval alliance which was the national sheet anchor during the vital years of growth.

Since its original conception the alliance had undergone modifications and the existing terms no longer demanded that Japan should side with Britain in each and every circumstance that might arise; she could have remained neutral in August 1914, had she so desired. Japan was, however, determined to come in on the side of the Allies, a step prompted by the grateful remembrance of past years; of those dark days when, confronted by the powerful combination already referred to, she was forced to give up all that had been gained by right of conquest. The moral backing of the British Empire throughout the

Russo-Japanese War was of the greatest assistance to Japan, and undoubtedly held off potential enemies.

Nevertheless, we must give due credit for this timely decision and the generous interpretation placed upon the terms of the alliance which could have been followed far less meticulously.

The situation in the Far East, the Pacific, and all that part of the seas lying east of the Red Sea, was one of difficulty and danger for us. A strong and mobile German fleet was operating over a wide area, constituting a grave menace to British shipping. Singapore, at the cross roads of the East, the principal market for rubber and one of the largest ports in the world, owing its prosperity to the key position it occupied, was our main base in Eastern waters, but the fleet operating therefrom was inadequate to safeguard our trading interests.

More than fifty steamship lines were directly connected with Singapore, and on any day in the year more than one thousand million pounds sterling of British craft and British goods were afloat upon the waters in its vicinity more or less at the mercy of a prowling enemy.

In her ultimatum to Germany, delivered ten days after we had ourselves declared war, Japan set out with singular clarity the reasons prompting her to array herself against the Central Powers. The action of Germany, she declared, compelled her ally, Great Britain, to declare war. "Germany is at Kiachou," the statement continued, "and occupies territory on the mainland of China, held on terms from the suzerain power. Preparations of a warlike and provocative nature are proceeding apace, and the trade and commerce of our ally, and that of ourselves, are imperilled. Peace and tranquillity in the Far East are thus in danger."

Seven days were given for an answer to this ultimatum, failing which Japan was at liberty to take such steps as she might deem necessary in support of her own interests, and those of Britain. The ultimatum was rejected and

hostilities followed which only ended after the elimination of German interests in the Pacific area.

Apart from the naval participation, there was under Allied consideration the advisability of Japanese troops taking part in the war on the Western front. For various reasons this was found to be impracticable, mainly on account of the difficulties of supply and transport. The fact that the Japanese army was entirely without experience in European warfare also weighed with the Allied war council in their decision not to take advantage of the offer to co-operate on the European front.

With the end of the war we come to the vital stage in Japanese growth from a naval, military, and air standpoint. As a result of Allied pre-occupation in the West, Japan had benefited enormously through trade and commerce, she had been left practically a free hand in China and the Far East to advance her economic interests, whilst huge sums had been made out of sales of supplies to the Allies during the war. The result was that in a financial sense Japan became comparatively well off, and was enabled, if anything more than in the past, to go forward with her preparations for defence, and offence where that might be required. It is true there was some opposition in Japan to this increase in the strength and efficiency of her armed forces, but the military party carried the day, and it became clear that the militant mood was asserting itself throughout the country.

Then came the Washington Conference in 1921, with its decisions favourable to Japan, and its limitations in details regarding armaments and the Pacific.

Three years later the Americans passed their Immigration Exclusion Act, the significance of which is not universally recognised. If it were not possible to plant out a portion of the swelling population in America, where climate and environment were suitable to the Japanese temperament, then some other channel must be explored. The Philippines do not appeal to the Japanese, for

climatically and economically they regard them as undesirable; the Hawaiian Islands were not extensive enough to merit serious consideration, but western America was quite another matter. They were debarred bluntly and decisively, and the action aroused a definite militant spirit against America.

The Japanese naval and military forces are to-day in a state of readiness for instant war, as much so as was Germany in 1914. The Japanese envisage the probability of opposition to their "expansionist" policy on the part of European powers; they are prepared to deal strongly with China in case of resistance to their considered plans, and organised force if it comes is something the Chinese are unable to meet. The Japanese also realise, much more so than does public opinion in Europe and America, that any aggression in China and occupation of territory exclusively Chinese will meet with strong diplomatic disapproval, but little, if anything, beyond that. In other words, a protest lodged by the League of Nations would not be backed by force; therefore Japan can go forward with comparative impunity, resting assured that nothing more than the diplomatic protest will happen. The League may be the instrument by which that protest is conveyed, and the world may be shocked and annoyed at Japanese action, but the only thing that tells in the East is the threat of action behind diplomatic manœuvres.

What then is the truth about the armed strength of Japan? Take first the military aspect. There is compulsory service for all between the ages of twenty and forty, which gives a peace strength in the first line or combatant troops of two hundred and forty thousand. In addition to this there is a second and third line, each with its own reserve, and kept in a state of readiness for mobilisation. The German tutors of the Japanese army found them apt pupils who have improved upon their teachers.



JAPANESE TANKS PREPARE FOR ACTION
A photograph taken on the Shanghai "front" before the attack upon Chapei.

The organisation of the army gives a strength of seventeen divisions, divided into thirty-four brigades, with a corresponding number of cavalry, artillery, tank, engineer and other units.

The state of preparedness for war is a high one, and it may be said that no army in the world is better able to take the field for an Asiatic expedition on a large scale than the Japanese. The organisation and composition of the army admits of expansion, as was taught by the Germans, and no undue strain would be thrown on that organisation, so well has it been thought out. Western patterns have been carefully followed; the years that the Japanese sat at the feet of their German instructors have been well spent, and the knowledge gained by studying the conduct of war on the European fronts has been carefully considered and applied.

The Board of Marshals and Fleet Admirals, presided over by the Emperor, is the highest advisory committee on naval and military matters, and the supreme war council includes the Emperor's advisers and staff officers. This body deals with important matters pertaining to war.

To fully appreciate the power of the army in Japan the peculiar position occupied by the Emperor must be understood. He is supreme and the inviolability of the dynasty is an integral part of the national psychology.

The army is the instrument by which the principles the Emperor represents are safeguarded; it exists, not only for the defence of the nation but primarily of the dynasty, is not subject to the orders of the government in office and it can only be utilised on the direct order of the Emperor. No change, rule, or regulation that affects the army in any way can be made without the sanction of the ruler, who exercises a real control over the armed forces of the country, much more so than the Kaiser did in Germany.

Being thus free from government control and answerable to none for his actions, the Emperor in all that concerns the

army occupies a position without parallel elsewhere. The chiefs of the naval and military staffs are *ipso facto* members of the government, but neither is responsible to the ministers of war and navy; they are on an equality with those ministers but under the immediate orders of the Emperor.

The strong position held by the chiefs of the naval and military staffs and their independent position *vis-à-vis* their respective ministers does not end there. All matters relative to the army are submitted by them direct to the Ruler, whilst the ministers do the same with regard to questions affecting administration, without previous reference to the premier. This means that the cabinet has no control over the army, in so far as its use and activity are concerned.

The government, however, in its direction of the national policy, conveys certain recommendations to the Emperor as to the procedure to be adopted. Then again there is a check on the army in that the government controls the budget and financial commitments, and expenditure on behalf of the army must receive the prior sanction of the two chambers.

The Emperor, as the living representative of the soul of the nation and the head of the army, wields an instrument of exceptional power, and in support of the virtues which he embodies we give the military code which governs the life and being of every Japanese soldier.

There are five articles in this code, the first of which enjoins a spirit of total self-sacrifice and the complete subordination of the individual to the throne.

The second ordains that the soldier shall behave with courage, dignity, and fortitude at all times and with whomsoever he may come in contact.

The third and fourth require self-control and strict regard for his oath and for loyalty to the common good.

The fifth demands that the soldier shall be abstemious,

moderate, keeping sobriety and simplicity as ideals for his daily life and conduct.

This code, issued as a sacred Imperial edict, is strictly observed and, imbued by its spirit, the army is devoted to the national cause, both nation and army being unified with one object—the greatness of the Japanese Empire.

A notable point about the Japanese army is that it does not contain any extraneous elements; it is exclusively Japanese and the training is largely based on the form of warfare that would be encountered on the mainland of Asia. The plans of campaign, with that area in mind, have been elaborated so as to embrace all possible contingencies that might arise under the conditions peculiar to operations in China, with the economic and psychological factors having a direct or indirect bearing on the operations whenever they eventuate.

Close attention has also been devoted to the development of the aerial arm, and although Japan is far from being in a position to conduct aerial warfare at any distance from the homeland, progress is marked and indicates the importance attached to this arm in the light of European and American experience.

As regards the navy, under the terms of the Washington Naval Treaty the ratio laid down for the United States, Britain, and Japan was 5–5–3. Recently, however, Japan has presented fresh proposals for naval reduction to the Disarmament Conference at Geneva. These are of outstanding interest, for they shed considerable light on the trend of naval opinion at Tokio, but it is not to be expected that they will receive much support outside Japan itself.

The suggestions are worthy of close study, however, for amongst the original features they contain are the "regional" ideas of distribution; in other words, that the limitations in naval armaments shall apply with special significance to certain defined areas.

This proposal would involve alternation in the ratio of

warships and their tonnage as arrived at during the Washington Conference, when it took much time, labour, and patience to adjust the conflicting views of nations and to reach a standard agreeable to all. The new suggestions, if adopted, would necessitate the scrapping of that arrangement and the conclusion of a new naval pact.

The Japanese propose that the ratio should be 11–11–8 for capital ships, and the following figures give the various classes as they would stand under the new allotment:

Capital ships 25,000 tons with 14-inch guns.

" A " class cruisers 6000 tons with 8-inch guns.

" B " class cruisers 6000 tons with 6·1-inch guns.

Destroyer and flotilla leaders 15,000 tons with 5·1-inch guns.

Submarines 1800 tons with 5·1-inch guns.

A leading feature of this new programme is the scrapping of aircraft carriers, and prohibition of construction of aircraft landing-platforms on the decks of naval vessels. There seems little value in this suggestion without a corresponding reduction, or abolition, of the aircraft themselves.

The relative strengths in capital ships as formulated by Japan would be:

United States 275,000 tons comprising 11 units.

British Empire 275,000 tons comprising 11 units.

Japan 200,000 tons, comprising 8 units.

This is a drastic alteration from the capital ships of the three Powers concerned, for they now stand at 15–15–9, based on a theoretical unit of 35,000 tons, the new ratio to be calculated on a theoretical unit of 25,000 tons. The fundamental principles of the Disarmament Conference aim at limiting the offensive power of navies and increasing the defence and, the Japanese contend, if we follow out that basic principle, the terms of the Conference will have been fulfilled.

The " A " class cruiser ratio would then be as follows:

United States 96,000 tons in 12 units.
British Empire 96,000 tons in 12 units.
Japan 80,000 tons in 10 units.

France and Italy are taken into the calculations and allotted 56,000 tons each in seven units. The number of capital ships that each of these Powers should possess is not given, but the total tonnage should not exceed 150,000 each.

Taking, however, the Japanese navy as it exists at the moment we have the following:

10 battleships and battle cruisers.
14 cruisers with guns of more than 6·1-inch.
24 cruisers with guns of 6·1-inch or less.
119 destroyers.
60 submarines.
4 aircraft-carriers.

In addition there are approximately 100 vessels of varying armament value, with a total tonnage of 410,000.

We do not suppose that any hostile fleet would endeavour to bring the Japanese navy to a conclusive fight in Japanese home waters, nor embark upon such a risky venture as invasion.

Nevertheless, a descent upon the Japanese coast might be possible on the part of an enterprising and audacious opponent, not necessarily in the form of operations by a land force, but by submarine and cruiser attacks such as were made on the British coasts during the Great War.

With this possibility in mind, the Japanese have taken defensive precautions against such eventualities, so that should a war go against them at sea, they would, as far as forethought can suggest, be in a strong position to frustrate any attempt to carry the conflict into their own territory.

In addition to the usual harbour protection and the cover afforded by forts and coastal defences forming an integral part of the defence organisation of the Japanese

islands, there are mobile batteries ready to move to any part of the coastline on information being wirelessed to the various headquarter points. These mobile batteries are highly efficient, have long-range shooting power and, of course, carry wireless as efficient as that of the police "flying squads" in London.

To aid the forts and the permanent coastal defences and to complete the offensive power of the mobile units, sighting-rods have been cemented into the rocks all round the coast from which the ranges have been taken. This is a precaution that would naturally suggest itself to any island power with its coastline open to attack from the sea, but it has been carried to a higher plane of thoroughness than might have been expected and a comprehensive system of ranges recorded over the very extensive Japanese coastline.

Further, any attempt at a landing on the coast or attack on any given strategic point would be a matter involving the gravest risk from the mine-fields with which the approaches to the harbours and bases would be protected. The lessons of the Great War have been well and truly applied, the pros and cons of modes of offence and defence most carefully considered, especially on the defensive side, and nothing that science and ingenuity can suggest, coupled with the experience bought by others, has been neglected in the problem of assuring as far as possible the inviolability of the homeland.

Before examining the present air strength of the Japanese Empire, there is one factor, of vital importance both to navies and aerial forces in any future conflict, which must be included in this analysis of the real military strength of Japan. That factor, of increasing concern to all nations, is oil.

The conduct of modern warfare calls for oil in unlimited quantities. Without it warships must remain in their harbours, and the most swift "fighter" aeroplane yet invented cannot leave the ground. Oil is even more

essential than explosives; without it there could be no war as waged in our modern world. There are other raw materials that must be considered in any estimate of a nation's military strength, notably coal and iron, Japan's shortage of which has already been noted. But oil is the acid test of both offensive and defensive capacity.

What is the position of Japan in this vital respect? The world's most prolific oilfields are situated in the United States, with the Dutch East Indies coming second in importance. Statistics supplied to us by the Rising Sun Petroleum Company, covering the world's crude oil production for 1931, show that for the latter year the United States produced 62·07 per cent. of world production, the Dutch East Indies 2·59 per cent., the British Empire 1·84 per cent., Japan 0·14 per cent., and China nil. Soviet Russia, Venezuela, Rumania, and Persia each contributed more to the world's output than any other nation except the United States. Moreover, the output of the Dutch East Indies and British North Borneo has increased by 100 per cent. since 1921, while Japan has no untapped reserves outside Manchuria, from which her output can be increased. Japan is, therefore, dependent upon overseas supplies for the fuel which is the life-blood of her navy and air arm.

During 1931, Japan imported 9 million barrels (each of 42 American gallons capacity) of petroleum, kerosene, fuel, and crude oils from the United States, and 3 million barrels from the Dutch East Indies. If those imports were cut off, much of Japan's military machine would be unable to move.

The figures concerning the Japanese air force should be considered with this important fact in mind.

The naval air service comprises 17 air squadrons, all with bases ashore; there are also the aircraft with the fleets at sea, transported on three aircraft-carriers, in addition to those on battleships and cruisers.

The shore aircraft are stationed at Kasumigaura, Yokosuka, Tateyama, Hiro, Basebo, and Omura.

The total number of machines in the naval air force is said to be 472, but this figure does not include machines now under construction.

The number of machines carried by aircraft-carriers and other warships is said to be 329.

The military air force consists of 8 regiments, totalling 26 squadrons. The number of machines is said to be 584 and reserves bring the total strength of the Japanese aerial defences to over 1500 machines.

The above figures do not include machines in use at the three air schools.

This part of the air force is divided into 11 reconnaissance squadrons, 11 fighter squadrons, and 4 bombing squadrons. The units are stationed at Tokozawa, Shinoshidzu, Akenogahara, Kamagigahara, Tachiarai, Yokuchi, Tachikawa, Seoul (Korea), Hammatsu, and Heito (Formosa).

In their desire to create an efficient air force, and assure its maintenance without recourse to outside assistance, the Japanese are developing their own aircraft industry for both civil and military aviation, and have already produced machines of local construction.[1]

As regards the fighting value of both machines and personnel, if a comparison is made with the United States the advantage must obviously lie with the Americans with their greater technical knowledge, superior resources, and the experience they are gaining as the result of incessant aerial research.

A comparison of the aerial forces of the two nations reveals that the United States possesses 2351 military and naval machines, of which 1752 form the first line of aerial defence, compared with a Japanese total of 1639.

In view of the dominating influence that the air arm will

[1] See Chapter III.



JAPAN'S GROWING NAVAL STRENGTH

[illegible] of Japan's latest warships, the 10,000-ton cruiser Maya, now nearing completion. Carrying ten 8-inch and four 4.7-inch guns

exercise in any war of the future we propose to discuss it in some detail.

So far as practical experience is concerned we have only that gained during the Great War. For an estimate of the results to be expected from aerial warfare in the Pacific we must rely upon imagination and recent experiment, and from progress in the mechanism and art of flying. Indeed, the moment is opportune to draw a picture of the two aspects of the near future in peace and war as they will affect the problem.

Science in its ceaseless evolution brings forth new wonders; wireless puts us on speaking terms with the four corners of the globe, television is about to give us new surprises, and marvels that Jules Verne never dreamed of are in the making.

Aerial research developments in America prove that we are only on the edge of a new world. Fresh theories are being worked out in the realm of aerial fighting and communication which may be put to the test in the Pacific.

As far as Britain is concerned these developments may bring non-stop planes covering the two hundred and thirty miles from London to Plymouth in about forty minutes; there will be helicopters hovering in the air like a hawk, and the automatic stabiliser will give the steadiness and comfort that are lacking in the aeroplanes of to-day.

There is a rival to propeller-driven machines in a new motive power now undergoing trial, and it is considered that the maximum speed for a propeller-driven aeroplane would be in the neighbourhood of four hundred and fifty miles per hour.

Actual speed will be further enhanced by high flying, 35,000 feet and more—thus escaping the friction encountered in the lower and heavier layers of atmosphere.

The Germans first tried this in the last war in connection with the heavy long-range guns built to bombard Paris,

when the shells were projected so high that during the greater part of their flight they were travelling through the tenuous and comparatively frictionless upper air, as airplanes and air expresses of the near future will do.

The Americans are in the van of this aerial development; the distances they have to cover, the immense stretches of ocean they must contend with in contemplating their Pacific problems alone, supply the reason for the constant development of the air arm, but they, in common with ourselves, are also doing it with a view to social and industrial benefit.

Arising out of this ceaseless research we shall have, *inter alia,* instead of the crews now manning an airship, or aeroplane, radio and beam control, the air cruiser being directed on its course by a switch at the air control station.

All this, as already stated, will be turned to civil advantage. If you wish to travel from London to New York in your own 'plane, you will first adjust the height dial at eight or nine miles, when you will be safely above all ordinary directional traffic, then set the forthcoming new automatic compass at dead west, and sleep peacefully, to wake in the morning ready for your landing on the American side.

Secret and exhaustive experiments are endeavouring to apply the mechanical principles employed by nature to a machine. The action of birds in flight, and that of the tail of a fish, are being studied. Experiments are being carried out in cylindrical tunnels of glass, at one end of which air is admitted in the form of a steady current, gradually increasing in force to resemble a high wind, and then a gale, with alternate gusts to vary the atmospheric pressure.

A bird is placed in the tunnel at the opposite end, the movements of its wings are then studied, as well as its general method of propulsion and the way in which it

preserves its balance and makes headway against the storm without being capsized.

A bird flies without a propeller and, judging from the success that has already attended the efforts to evolve a 'plane on the principle of the bird's flight, the whole system of flying may be revolutionised by these experiments.

Similarly, fascinating experiments have been carried out by the observation and action of fish in a special tank, with the inside walls blackened to show up the fish and its movements through the water.

What of the conditions, and the equipment required to meet them, when flying at high altitudes becomes the rule, as must be the case, especially in the Pacific? This is the day of super-things. In order to resist the low temperature and rarefied atmosphere found at an altitude of thirty thousand feet and over, pilots will wear electrically-heated suits, and be entirely enclosed within their machines, as is the crew of a submarine beneath the water. The speed will be something hitherto unheard of.

These fast 'planes will have engines of proportionate power, able to climb at a rate of at least fifteen thousand feet per minute, and a new form of fuel now being subjected to a searching test will give greater speed and staying power, and so increase the range and scope of an aerial fleet.

The larger 'planes will carry super-searchlights and, in so far as warlike activity is concerned, to cope with ever-increasing height and speed, the ground searchlights must be even more powerful than those we possess to-day.

Coincident with progress in the air, the new age of invention now dawning has its more sinister side.

While the nations are holding conferences they are manufacturing chemicals and poison gas, and judging from results already attained, in any future war the chemists and not the generals will decide the issues.

Enormous bombs, poison gases, and sprays scattered from airplanes, capable of disabling troops and civilians *en masse*, are among the most effective and terrifying of the new inventions.

A type of aerial bomb evolved in America weighs two tons, is about fifteen feet in length, and would make a crater several hundred feet in width when dropped from an aeroplane. If it were to strike a battleship it would literally blow it out of the water.

New gases are in the making. They will have a potency combined with lethal power that will not only place all troops and others out of action over a large area, but have a disabling effect upon those still further afield.

Thus armies, to say nothing of the civilian population, would be incapable of movement. In certain cases, according to the type of gas used, they will become both blind and deaf, and powerless to carry out orders or combine their action in any way—merely a mass of humanity reduced to complete impotence.

There is the aerial torpedo destroyer, entirely mechanical and controlled throughout its flight from the moment it leaves its mooring shed until arrival over the given target, which might be a harbour or fortified point two thousand miles or more away. This sinister instrument will be set like a clockwork toy; it will have a specified range and collapse with its load of explosives just where desired.

In size it will be as large as the present-day 'plane, with all the fixtures and fittings as in the bombing machines of the moment, with this exception—there will be no pilot or observer. The dread machine will travel alone on its way, soaring to an immense height, speeding on with deadly accuracy to its predetermined destination, there to complete its mission.

Synthetic sunlight will perhaps replace to some extent our electric lighting and completely transform the problem

of illumination, whilst anactinic rays neutralising all light in their path, with the exception of direct sunlight, will cast darkness over given areas.

In a war of distances, such as in the Pacific, here are potentialities of which the imagination can conjure up a picture.

It is certain that the air fleets moving to an attack whether in the direction of east or west in a Pacific war would be travelling at a great height, so we may endeavour to divine what will happen from airplane attacks at upwards of thirty thousand feet.

As already remarked, we have only the experience of the last war to go on. If the respective defences of the rival Powers can cope with the danger and drive the attackers to extreme altitudes they will have done a great deal towards their own protection. The higher we ascend in the skies the more trying and exacting it becomes to the human frame.

Some of the machines will be of the open fighting type, and so pilots and observers will suffer from the peculiar conditions experienced; lassitude, complete indifference to what is going on around, a desire to get to earth again, intense cold, possible sickness, and difficulties with the engine, all may supervene, until efficiency as an attacking unit has been completely destroyed.

To cope with these difficulties aerial science has done, and is doing, very much. Pilots are supplied with oxygen and electrically heated suits, everything that may suffer from the low temperature is electrically warmed, and the possibility of a crash is reduced to a minimum. Nevertheless, with all these aids that modern science supplies, there is still the human element with its well-defined limitations and the inherent ills attaching to it.

These limitations and drawbacks will be to a large extent discounted by the mechanical aeroplanes described above, and the direction given to air cruisers through the

radio-beam control. One invention begets another; one destroying engine suggests its counterpart.

If either America or Japan are to rely mainly on anti-aircraft guns to meet an attack from the air, the former will have the advantage, for the Americans have done much towards the development of this type of armament. Yet the results to be anticipated from anti-aircraft gunfire are really negligible, as personal experience in this branch of the service has shown. There are, too, the lessons of the war, when the percentage of aeroplanes brought down, or even hit, by anti-aircraft guns was very small.

Anti-aircraft guns in action against hostile 'planes have a great deal to contend with. High velocity marks the initial stage in the flight of the shell, but the force of gravity exercises an almost instantaneous effect. The shell loses at once in the forward drive, and it may require twenty or twenty-five seconds, perhaps longer, to gain the object at which it is aimed.

In the meantime, whilst the shell is soaring through the air hampered by these conditions, the aeroplane is likewise on the move, travelling at one hundred and fifty to two hundred miles and more per hour. During that twenty or twenty-five seconds the machine may have moved on a couple of miles, far away from the original direction of the shell.

To allow for this the anti-aircraft gunner must calculate with a singular degree of accuracy the course and speed of the target, and, allowing for both, fix the moment and the spot in the skies, thirty thousand feet above, for shell and target to coincide.

The calculations involved in this intricate problem do not take into account the possibility of the pilot following a more or less irregular course, and so baulking the gun of its prey. The shell and gun have yet to be invented that will counteract the zigzagging of the 'plane.

Taking into account developments such as we have

briefly outlined, and which will revolutionise the effective military power of the nations in any future war, what is the answer to the question: "Dare Japan fight?"

That nation, we have shown, has made amazing progress in the military sphere. She is to-day unquestionably strong enough to subdue China and dominate the Pacific —if permitted to do so by the Great Powers.

But it is doubtful, to say the least, whether Japan, judged by European standards, is strong enough to face a conflict with any other first-class Power; indeed, it is problematical whether she could successfully defend her own territories against any of the white races whose position in the Far East might be challenged either now or in the future by her expansionist aims.

That Japan realises this is shown by the large sums of money recently voted for the modernisation and re-equipment of her army.

One day Japan may be all-powerful; a further increase in the size of her armed forces (especially in the air) is almost certain to take place failing world disarmament. But Japan is not all-powerful to-day, and her army might easily precipitate a war which it could not win.

CHAPTER VII

JAPANESE FOREIGN POLICY EXAMINED

WE have outlined Japan's internal needs; let us now examine the policy by which her rulers seek to satisfy those needs, and especially Japan's relations with the Powers adjacent to her borders.

Despite the many and great changes of the past sixty years, Japan is still in transition, moving steadily forward towards the definite goal of a Greater Japan. Having won her place in the councils of the nations, and initiated the extension of her territory by penetration (as in Korea) and conquest (as in South Manchuria in 1905), Japan's next step was to review her industrial situation. This survey led to an intensification of the rate of industrialisation; hitherto mainly an agricultural people, the Japanese rapidly transformed themselves into an industrial power of the first rank.

Material developments went hand in hand with moral progress. The improvement effected in educational facilities was especially noteworthy, the number of illiterates in the country being reduced to 4 per cent of the population. Japan was equally wise in regard to constitutional developments. The Japanese Government considered it wise to withhold the grant of universal male franchise until the manhood of Japan was adjudged to be fit, mentally and morally, to exercise political power with discrimination. The moment came in 1925, when the universal suffrage law increased the number of electors from three to thirteen millions, thus marking another milestone in the political history of the country.

Coincident with these developments, the process of Westernisation continued, the influence and culture of Europe and America spread throughout the land and further ideas and institutions, emanating from the West, were absorbed into the stream of Japanese national life. Yet, despite this metamorphosis, it may truly be said that

in a very real sense the more Japan changed, the more she remained the same.

Cities, clothes, habits, government—the very face of the land itself—might become Westernised, but spiritually Japan has held fast to the ideals of the past.

" We now uphold, even as in the past, the fundamental principles of our nation," General Araki, Japanese Minister for War, stated recently. " Those principles are as lasting as its history—' the path of Imperial rule ' which is symbolised by the Three Sacred Treasures of the Imperial Family, namely, the principles of justice, benevolence and decision—a lofty ideal which we propose to have made known abroad and fully recognised at home. To know Japan one must make a study of this path of Imperial rule."

In seeking to examine the basis of Japanese foreign policy to-day, therefore, it is imperative that the Japanese outlook in regard to her foreign relations should first be understood. Let us attempt to survey these vital relations, and certain recent events, through Japanese spectacles, as seen by Mr. Yusuke Tsurumi, a distinguished writer of modern Japan.

According to Mr. Tsurumi, the main Japanese interests abroad are centred in China; trade with the Yangtse Valley and the economic rights gained by Japan in Manchuria remain the compelling factors in Japanese economic life.

How can Japan protect the lives and property of her subjects in China? How can she acquire raw materials from China to feed her growing industries at home? How can she increase her trade with that nation? These are three of the most vital issues facing Japanese diplomacy to-day.

Materially Japan needs and covets the friendship of China, and it is one of the ironies of history that the insistent pressure of events should have snatched that

friendship from her grasp. Both the Chinese market and Chinese raw materials are vital to her, as we have shown and as even the most ardent Japanese nationalists agree.

Leaving aside the aggravation of relations between the two nations arising out of events in Manchuria, which are dealt with at length in later chapters, differences of psychology and viewpoint tend to separate the Japanese and Chinese peoples. Japan, trained in the school of advanced thought and national ambition, and measuring the success of a nation by the " yard stick " of her own prowess in the fields of government and diplomacy, does not hold the modern " China " in any high respect. A certain contempt on both sides, due to differences of temperament, has had its inevitable effect upon mutual relations, and although Tokio's attitude towards China has changed in the last year or so, much remains to be done for the foundation of a better understanding.

Turning to the material problems confronting the two countries, there is a fear in the Japanese mind that a foreign Power, strong enough and desirous of doing so, may, by taking advantage of the weakness of China and the unsettled conditions prevailing there, absorb part of the country and squeeze Japan out. This fear has undoubtedly been a factor in the Japanese attitude in Manchuria and her activities elsewhere in China Proper.

It is well that attention should be drawn at this point to the fact, sometimes overlooked, that there is a credit, as well as a debit, side to Japan's relations with that country. When the Great War ended, Japanese psychology, as well as her actual policy towards China, underwent a change. The Japanese Foreign Minister of that time was conciliatory, and stood firmly by the policy of non-intervention. Years passed, and Tokio's policy *vis-à-vis* the Chinese remained more or less constant. Then, in 1927, occurred certain incidents at Nanking. The Chinese southern army

captured that city, the Japanese consulate and other property was plundered, and Japanese residents treated with violence.

There was scarcely any outcry in Japan against these outrages, due to some sympathy with the legitimate aspirations of the Chinese. Moreover, in opposition to the Tokio military party, there was a reluctance to despatch troops upon a foreign expedition after the experience of previous Siberian ventures. A certain number of troops were, in fact, sent to Shantung, but the authorities at Tokio wisely kept them to a minimum compatible with the safety of Japanese nationals and property.

The important question of Manchuria is closely linked with Japanese policy towards Russia—again as seen through Japanese eyes. The basic policy of Japan is to maintain a foothold on the Asiatic continent, and there to work out her destiny undisturbed by other Powers. To attain this end Japan must reach an understanding with Soviet Russia, which according to Mr. Tsurumi she will find it easier to do than was the case with the Russia of Czarist days.

There is no pronounced dislike or antipathy towards Soviet Russia in Japan. The popularity of Russian literature among the Japanese rising generation is a marked feature of the educational life of the country. Mutual trade, fishing, and mineral interests in Siberia tend towards the maintenance of friendly relations.

Similarly, the continuance of friendly relations with the United States is of the utmost importance to Japan. The Americans were the first to awake the nation from its age-old slumber, and to set it on the path of modern progress and development. Trade interests are growing, and the English language increasingly used in everyday life in Japan.

The immigration laws enforced in 1924, discriminating against the Asiatic races, were a sore point with the

Japanese, who had formerly migrated in limited numbers to California and the Western States of the Union. A more serious problem, however, judged by its effect upon the relations of the two countries, is the United States' attitude towards China. The majority of Japanese believe that America has supported China in order to weaken Japan.

Finally, there is the question of the Japanese attitude towards the British Commonwealth, as viewed from Tokio. Mr. Tsurumi declares that the Japanese people as a whole know very little of the British dominions south of the Equator. But their interest in Britain is deep. The Japanese entertain a genuine affection for the British people, with whom they feel they share certain traits due to the insular nature of the two countries and a similarity in their forms of government.

The lack of interest in English literature and history among the rising generation, however, and especially the abrogation of the Anglo-Japanese Alliance in 1921, has changed the situation. The proposal to construct a naval base at Singapore is also another point upon which the Japanese feel strongly.

The increasing interest in Socialist ethics among the younger people is not favourable either to Great Britain or the United States, two countries which are considered the citadels of capitalism. There is, however, no outstanding issue between Britain and Japan likely to disturb the relations between the two nations in the near future; on the contrary, a widespread desire exists to strengthen the bonds of friendship which unite the two peoples.

This brief survey, covering aspects of Japan's foreign relations which will be discussed at greater length in later chapters, represents the Japanese view, real or assumed, in regard to certain aspects of foreign policy.

Mr. Yosuko Matsuoka, Japanese delegate to the League

of Nations, has crystallised the same Japanese viewpoint regarding the most important of her neighbours in a few words :

" Japan's neighbours are big Russia and big China, the two largest countries in the world. China in population, Russia in territory. Japan is situated so near the Asiatic continent that with neighbours like hers it would be difficult for her to survive if, say, a thousand aeroplanes came unchallenged and unchecked over the islands. England, on the other hands, faces only comparatively small nations. Japan obviously needs a foothold on the mainland. In Manchuria Japan has a buffer and, she hopes, one who will understand the Japanese position. Japan has nothing to fear from China. But she does realise the danger from Russia, or Russia and China together."

In analysing Japanese foreign policy impartially, in the light of the information and first-hand knowledge at our disposal, let us turn first to the position of China and its influence on Japan's dream of hegemony in the Far East. It cannot be gainsaid that Japan is more directly interested in the fate of China than any other Power. Because of the geographical contiguity of the two countries, the predominant position in the China trade secured by Japan, and the large sums invested in that country, Japan cannot be indifferent to what is happening there.

Upwards of 1000 million gold dollars have been invested in China by Japanese capitalists. Her trade with that nation, boycotts apart, is far in excess of that of other countries, not even excepting the combined trade of Great Britain and Hong Kong.

The central point of Japanese policy at the present time is to secure the closest economic agreement with China, where all the raw materials vital to the life of Japan exist in abundance, and which offers a market for her manufactures that, if the Chinese can be induced to lift the anti-Japanese boycott and look more favourably upon

Japanese goods, is at her door and capable of unlimited development.

It is no exaggeration to say that the future prosperity of Japan depends more upon her relations with China than upon any other single factor. And the Japanese recognise this. Hence their exasperation over Chinese intransigence, and their attempts to enforce friendly relations at the point of the bayonet. Count Uchida, the sagacious Japanese Foreign Minister, stated recently that, with a large population in a small territory, Japan could only ensure her existence by co-operating with China. That is an important statement, for underlying it is the crux of the Japanese attitude towards her big neighbour, the granary of Asia and the richest treasure house of the East lying fallow and ready for exploitation.

If Japanese interest in China is understandable, her methods of realising her aims in that quarter have been open to criticism. Apart from the occupation of Manchuria, following the war with Russia, there was no actual aggression until the European war offered an opportunity which Tokio was quick to seize. Hitherto Japan had recognised the need to move with caution in view of the strong exception that would have been taken by the Western Powers and America to anything which could be labelled " aggression."

The war altered the whole aspect of the Eastern situation. The Powers concerned were engaged in a life and death struggle ; they were far too occupied with their own immediate affairs, on which their very existence depended, to give any close attention to what was happening in the Far East. What mattered it how the pendulum swung in that area so long as differences on which the fate of Europe depended were settled advantageously for the Allies ?

Here was a golden opportunity for Japan. She was a friend of the Allied nations and co-operating with them. Had she not rendered valuable aid against Germany at

the outbreak of hostilities? The Western Powers little realised the depths of Oriental psychology, and its appreciation of what is right and wrong in acquisitive tactics.

In January 1915 Tokio made its initial move. The famous Twenty-one Demands were presented to China. They were flatly rejected by the government of that country, for acceptance would have reduced China to the subservient position of a vassal state without a shred of independence or sovereignty. When this move on the part of Japan became known to the world beyond the Far East, it aroused the most adverse comment, as well it might in the circumstances under which it was made. It was to the credit of Yuan Shi Kai, then President of the Chinese Republic, that he stood firm and refused to be browbeaten, threatened, or cajoled into acceding to these outrageous demands.

Notwithstanding their highly objectionable nature, the Demands were in an amended form persisted in, and some of them were granted by China under the threat of armed action in the event of refusal.

A more friendly policy followed. In 1929 the Minseito party assumed power in Japan, and Baron Shidehara, whose attitude had been consistently friendly towards China, once more took over the handling of foreign affairs. He embarked on a policy on the basis of goodwill and neighbourliness, and the new Ministry declared its intention of co-operating with China in the revision of the "unequal treaties."

The next serious clash between the two nations came in Manchuria. And the Japanese "invasion" of the Three Eastern Provinces was followed quickly by the fierce fighting at Shanghai in February 1932, arising out of the boycott of Japanese goods.

Incensed by the losses incurred by the boycott, and attacks upon Japanese subjects at Shanghai, the Japanese despatched a naval and military force to protect their

nationals from further outrages. The forts of Woosung, commanding the mouth of the Yangtse River, and a salient point in the Chinese defences at Shanghai, were captured after the Chinese defenders of Chapei had made a stand against the military might of the Japanese which attracted world-wide attention. Representatives of Britain, France, and the United States endeavoured to effect a settlement and secure the withdrawal of the Japanese from the unwarrantable position they had taken up, but it was not until late in 1932 that these efforts were successful and the Japanese forces finally, but not altogether willingly, withdrew.

That withdrawal may be only a temporary lull in the storm; the armed forces of Japan are maintained in a state of instant readiness for active service, and the situation which faces the Japanese in China changes from month to month.

The empire of Nippon occupies a strong position at the very gates of the Yellow Land. As long as she is permitted to pursue her policy undisturbed, Japan is strong enough to impose her will upon Nanking, and the sovereign rights of China, its territorial integrity and the principle of equal opportunity for all, must remain in jeopardy. It is probably true to say that British and American trading interests have been the worst sufferers from the uncertainty arising out of this state of affairs.

These, then, have been the results of Japanese policy towards China in the past. What is the harvest of that policy likely to be in the immediate future?

The possession of the whole of Manchuria, with the control of the Gulf of Pechili and its approaches, places the Japanese forces in a position to dominate Peking and the regions of China adjacent to the old Imperial capital. The despatch of further reinforcements to the considerable army now in Manchuria, and the concentration of troops along the borders of Jehol Province during the opening



THE ANTI-JAPANESE BOYCOTT IN CHINA

A Chinese student denouncing Japan as the "enemy" during a recent mass meeting at Shanghai.

weeks of 1933, were sufficient indications that Japanese aspirations were not satisfied by the expulsion of the Chinese Administration from the Three Eastern Provinces. The next step in the Japanese strategy aims at securing a dominating position within sight of the Chinese capital; for whatever pretensions Nanking may have to that label, Peking remains, by virtue of its long association with the Imperial dynasty, the centre and capital of the country in the eyes of the Chinese millions.

This aspect of Japan's policy, and its possible repercussions upon international relations, will be examined in greater detail later. Slowly and surely, Japan is forging a chain which will encircle that region of China Proper over which she contemplates assuming control, either directly or indirectly. She is developing her mercantile fleet simultaneously with the strengthening and modernisation of her armed forces, in preparation for the trial of strength which may be ahead. And despite the methods by which this programme is being silently but inexorably advanced, one cannot but have a certain admiration for the tenacity and persistence displayed.

While Tokio is clearly anxious to avoid a clash with other Powers through the carrying out of this policy of encroachment in China, clear warnings have been uttered against interference.

" Japan never hoped or expected that she or her actions in a region in which she is vitally interested, particularly in Manchuria, would be judged by anyone. It was a great surprise," stated Mr. Matsuoka, in an interview given in Geneva, on the very threshold of the League of Nations.

And, with regard to the belief that a decision by the League not to recognise the *fait accompli* in Manchuria, or the justice of Japan's actions there, might lead to the withdrawal of Japan from further participation in the League, a Japanese writer has declared that :

" Whatever may be decided as to our membership, it

can be said with certainty that we shall steadfastly maintain the results of the policy adopted up to the present and shall take such measures in the future as necessity may dictate, irrespective of the conclusions in the forthcoming report of the League Commission. This being the case, it is to be hoped that the League will leave Manchurian affairs to take their natural course, in deference to the fact that the subject intimately concerns the well-being of Japan and the general tranquillity of the Far East; that is to say, will assent to the disposal of the outstanding issues by direct negotiation between China and Japan."[1]

Much has been heard, during the period of crisis in the Far East, of Japanese aspirations towards world dominion. Tokio, it has been declared, aspires to a leading place in the councils of the world such as Britain has enjoyed for three centuries—a place ensuring that her wishes will be respected and that what she says to-day will be a *fait accompli* to-morrow.

Long experience of the East and the land of the Rising Sun does not confirm the idea that Japan contemplates such a bid for equality with Britain, the United States, France and a resurgent Germany. What Tokio does undoubtedly mean to achieve is overlordship in the Far East, and, above all, in China. The way seems easy, the lines of advance towards the realisation of her aim present no serious difficulties, no obstacles that cannot be overcome, either peacefully or by the judicious display of force. Or, where the opportunity presents itself, by bluff.

For it should not be overlooked that much may be gained in China by bluff, and no nation appreciates that more than her next door neighbour, but it must be backed by concrete action where necessary. Britain has learnt that lesson in her own dealings with the recalcitrant Chinese when they have committed outrages or, by transgressing the ordinary laws of civilised intercourse and

[1] Mr. Takagi in *Contemporary Japan*, September 1932.

international justice, placed themselves out of court. They have proved difficult and at times impossible to deal with; steps have had to be taken to bring them to a sense of their responsibilities, usually in the form of a gunboat anchored near the offending Yamen, or official residence, of the Governor involved in the dispute.

In their dealings with the Chinese, Japan has appraised them at their real value; they have taken into account the indifference of the Chinese to what is happening around them so long as they are not personally affected, and the almost entire lack of any sense of patriotism or public duty. The question of self is so strong that no official, for instance, would consider devoting himself solely to the good of the district over which he rules; he would merely regard his tenure of office as a means of acquiring wealth in the shortest possible time. His duty towards the community would not come into the picture.

Japan herself has not hesitated to make use of this habit of peculation for the furtherance of her own policy. More than once, during the period when the Japanese forces were overrunning Manchuria, forces sent to occupy cities were halted outside the walls while Japanese envoys attempted to arrange for the withdrawal of the Chinese defenders by the payment of an agreed sum to their commander. Sometimes bribery won the day, elsewhere bayonets were necessary. But the troops and bombing aeroplanes held in reserve were rarely used until bribery had first been tried.

It was a wiser statesman than those in control of power at Tokio to-day who once declared that "you can fool all the people some of the time, and some of the people all the time, but you cannot fool all the people all the time." Substitute the "world" for "people," and the dangers of bluff as a weapon in national policy become at once apparent. Japan may safely employ bluff in her relations with China up to the point at which there is danger of

other Powers entering the field against her. On that day her bluff would be called, for while Japan is undoubtedly powerful enough to dominate China undisturbed, she possesses neither the military strength, industrial supremacy or national wealth needed to face any combination of Powers which might oppose her path to the hegemony of the Far East. *Never, indeed, has any nation so essentially lacking in all that makes for offensive strength and staying power attempted a policy of expansion in opposition to world opinion.* That Japan should do so, and affect to disregard the views of other nations on her actions, is not only her biggest bluff, but a factor of real peril for the Japanese people. For if there is one prediction concerning the Far East to-day which can confidently be made, it is that Japan possesses neither the resources nor the national strength—unity and patriotism apart—to defend her aim of Pacific hegemony before the grim assize of modern war. If Japan ever achieves that crowning ambition of her people, it will be with the goodwill of the Western world, and never in the teeth of its opposition.

In previous chapters we have presented the facts which enable the reader to measure Japan's achievements. It is vitally important to the formation of an informed world opinion that those achievements should neither be under nor over-estimated. Aroused from the lethargy of ages only seventy years ago, Japan has within that short space of time secured a position as the third great Power in the councils of the world. Step by step she has built up the empire in the Pacific; first by the acquisition of Korea and Formosa, then by the expulsion of German influence in China and the overlordship of the islands held under League Mandate in the North Pacific, and more recently by the virtual annexation of Manchuria and the beginning of encroachment into China Proper.

Navy, army, industry, and commerce—all have shown enormous expansion; the Japanese Navy alone, under

British tutelage, has grown from zero to a total fleet of 328 vessels of all types. The Japanese standing army to-day numbers 225,000 men, exclusive of all subsidiary units, and the Air Force (which numbered two men in 1911) comprises some 650 military and naval aeroplanes and seaplanes fit and ready for active warfare at a moment's notice.

The mercantile marine has likewise grown from a negligible figure, consisting of a few odd sailing craft for coastal purposes, and dependent upon wind and weather, to the present ocean-going fleet of over 3,500 vessels, totalling over 4 million tons. Railways have been developed and every important point in Japan can be reached by rail. The efficiency of the Japanese railway service, and the modern equipment provided, is a source of national pride.

The consummate genius of the Japanese race has enabled them to adapt extraneous foreign influences and to blend them with what was best in old Japan. These foreign influences have also played their part in moulding the character of the Japanese people. In discussing the original traits of Japanese character, Professor Nitobe tells us that of the superimposing foreign strata, the Chinese, Indian and European stand out for their ethnological, religious, and scientific effect respectively. When they reached Japan, these various influences were all tolerated and later adapted and mingled to suit the national temperament. In the course of time, they became so blended that to-day it is difficult to identify each stratum from the natural forces to which it was added and which it reinforced.

The patriotism and loyalty of the people, the belief that they are destined to play a part second to none in the Pacific arena, coupled with the dominant spirit of nationalism, have all contributed to this end.

In the policy adopted, the steps taken to extend and consolidate their possessions, the Japanese have not always been actuated by motives of conquest and mere acquisition of territory. Strategic factors have, in the past, played an

important part in determining the line of national advance, notably in connection with the annexation of Korea, which, despite the manner in which it was carried out following protestations concerning respect for its independence, has undoubtedly been advantageous to the Korean people.

Korea affords an opportunity of studying Japanese colonisation and expansion in action, and may therefore fitly be examined here, more especially in view of the agitation, conducted by Koreans for some years, in favour of throwing off the Japanese rule and achieving independence.

The spirit of nationalism in Korea to-day is as much the product of propaganda and agitation as it is of the natural aspirations of the Korean people, strengthened by opposition to Japanese rule. No one would wish to withhold self-government from a people qualified to exercise it and armed with those qualities necessary for the control of their own affairs. Since the annexation of Korea by Japan, twenty-two years ago, some progress towards this ideal has been made under the tutelage of Tokio, but the Korean is still a long way from the time when he can safely be left to manage his own affairs without incurring the risk of that country sinking back into semi-barbarism.

In a fair and just criticism, credit is due to the Japanese for the way in which they have governed Korea; the rules and recommendations for administering the country are reasonably compact and just, and in every way an improvement on those existing before the Japanese assumed control of the country.

The Western world does not always realise that only a fraction of the population of Korea has yet been touched by foreign influences; the great mass of its people are still steeped in ancient ideals and beliefs.

The view that the Koreans have enjoyed real benefits from Japanese rule is supported by an article concerning

conditions in that country which appeared recently in *The Times*, in the course of which it was stated :

" A spirit of nationalism, no matter how deeply grafted, and vague aspirations, no matter how sincere, are insufficient foundation for the institution of an autonomous administration, and the Koreans have failed, and are failing to provide any proof that they possess either the character, the ability or the experience that such a task requires.

" They have, no doubt, good qualities, but they are not the qualities required for self-government. Circumstances, and among them a due regard for her own security, necessitated the intervention of Japan in the Korean peninsula, and the Japanese have admirably filled the role which was undertaken in 1910, when the decadent emperor of a decadent land ceded his throne and his country to the enterprising and civilised power that in half a century of steady progress had risen to a position of unchallenged pre-eminence in the Far East."

The writer adds :

" There can be no attempt here, except in the most general terms, to speak of all that the Japanese Administration has accomplished in Korea. In every direction immense progress has been made. Education has been introduced on the most liberal lines, while the material benefit in the means of communication, the construction of ports, urban developments, sanitation and hygiene, are to be seen in every direction.

" Keijo, the Japanese official name for Seoul, has to-day the characteristics of a well-laid-out and well-organised European city. That the Japanese have at times been severe, especially after the nationalist demonstrations in 1919, they themselves admit, but the Koreans have on the whole been governed with justice, efficiency, and consideration."

There is no reason to doubt that, were no considerations

of national patriotism or rivalries present to complicate the issue, the new Manchukuo "state," child of the wiles of Japanese diplomats, would govern the Chinese inhabitants of Manchuria by the exercise of those same qualities which have conferred great benefits upon Korea. Political considerations, however, cannot be disregarded, and there is also the all-important general strategic position in the Pacific arena to be kept in mind. Other Powers may reasonably take the view that by remaining in control of Manchuria, Japan, whatever benefits she conferred upon the people of that land, would be conferring greater benefit upon herself. And, be it noted, presenting China with an irredentist problem which would remain a continual source of friction between the two nations until the issue was settled either by the return of the Three Eastern Provinces to China, or the final subjugation of that land by the military might of Japan.

For China, and Japan's interests in China, remain the central point of Tokio's foreign policy, just as that nation must, failing foreign aid, be the chief sufferer from Japan's bid for expansion. Nature, which ordained that China, in her weakness, should face Japan and her might across the Yellow Sea, made inevitable the eventual conflict of the yellow races—a conflict for which China, despite her lack of unity or military strength, has managed to forge weapons that have inflicted heavy losses upon Japan by attacking that nation at her most vulnerable point.

China's troops may be no match for the highly trained Japanese army, equipped with modern weapons, and supported by tanks, bombing planes, and all the hideous paraphernalia of war. China may possess no navy which can challenge Japan's battleships on the high seas. But the Chinese hatred for Japan spawned a weapon capable of inflicting enormous loss upon the enemy. For China, in her desperation, remembered that her market was essential to the prosperity and future security of the rapidly-

expanding Japanese industries. And this fact enabled her to perfect the weapon which is nearly all she has at hand with which to reply to the Japanese challenge—the weapon of the anti-Japanese trade boycott. The weapon which has enabled her, weak and disunited as she is, not once, but several times, to sweep Japanese goods from out of vast regions of her territories.

Since the yellow races first came into conflict, the losses have not all been on the side of China, nor has victory always gone to Japan.

CHAPTER VIII

THE YELLOW RACES IN CONFLICT

THE anti-Japanese feeling in China, which was directly responsible for the fighting outside Shanghai in February 1932, and has rendered abortive every attempt to reconcile the two nations since that date, is not a recent development. It is merely an extension of China's ancient attitude of contempt towards " barbarians " from other lands.

For the origin of this anti-foreign movement in China, the full effects of which have recently been felt by the Japanese, we must go back to the latter half of the eighteenth century, when a British Mission was despatched to Peking, and the English envoy was permitted to present a message from the King of England to the Chinese Emperor. The latter, in a reply to the British monarch which has become historic, requested him " tremblingly to obey " the orders of the Celestial ruler, as became a good subject of the Son of Heaven.

This incident throws a significant light on Chinese mentality, for it reveals the spirit which has animated the Celestial attitude towards the foreigner from that time until to-day, and the conception of cultural and intellectual superiority which are the keynotes of the Chinese outlook upon foreign nations and foreigners generally.

The present anti-Japanese movement dates from the time of the Sino-Japanese War, when the late Dr. Sun Yat-Sen organised in Hawaii a secret society aiming at the overthrow of the Manchu dynasty, and the establishment of a Chinese Republic. And one of the reasons advanced for this step was that under the emperors China had been subjected to continuous foreign pressure, and the only way to free the country from the incubus was to sweep away the régime which had proved unable to protect the Chinese territories and peoples from foreign aggression.

The year 1911 saw the triumph of Dr. Sun Yat-Sen's

ideas. The revolution swept away the Manchus and ushered in the new China. From that date opposition to foreigners, and to the " rights " enjoyed by them in China, has remained in the forefront of Chinese foreign policy.

The principles of the Kuomintang, upon which the actions of recent Chinese governments have been based, reflect and explain the difficulties experienced by foreigners in China, and especially the Japanese, during recent years. According to an official statement issued on January 10, 1923, the Kuomintang's foreign policy includes the following items :

(*a*) All unequal treaties and agreements, such, for instance, as the consular jurisdiction, the control of Customs by foreigners, and all other political powers exercised by foreigners, and which infringe upon China's sovereignty, shall be abolished, and their place be taken by treaties of mutual equality.

(*b*) China shall give the most favoured nation treatment to any country that voluntarily offers to give up all special privileges it enjoys in China or that agrees to the abolition of such treaties as may encroach upon China's sovereignty. China shall give Russia a specially favoured treatment.

(*c*) All treaties concluded between China and foreign Powers and which are deemed inimical to China's interests, shall be revised.

(*d*) The foreign debts owed by China shall be speedily paid back within limits not injurious to China's political or economic interests.

(*e*) The people of China shall be free from all obligations in regard to the foreign loans contracted by irresponsible governments, such, for instance, as the Government which functioned at Peking under a President who owed his election to corrupt means.

The two nations against which this anti-foreign policy has been especially directed are Britain and Japan. The reasons which prompted the antagonism towards the rights whic those two Powers enjoy in China have been outlined by Chen Kung-po, a left-wing leader of the Kuomintang, in his book on *The Principles and Practice of Political Reorganisation.*

" The World War has ushered in a new epoch in the relations of the foreign Powers toward China," stated this writer. " Prior to that war, the countries that influenced China by means of force were England, Germany, France, America, Japan, and Russia. But now those who can materially influence China's revolution are only four, namely England, America, Japan, and Russia. Moreover, England failed in her policy of butchery, and has ever since pursued a conciliatory policy towards China. As for America, her interests in China are confined to 70 million yuan worth of imports into this country, so that her policy is comparatively moderate, her chief concern being to have the door kept open. It is quite different with Japan. She considers our revolution as a fatal blow to her, for in the event of our revolution proving a success, she would lose her acquired rights not only in the Three Eastern Provinces, but in Shantung also. But that will not be the worst. Korea and Formosa will become independent, and, further, apart from being a fatal blow to her economic independence, it may even render the preservation of her Imperial dynasty problematical. Lastly, the Soviet Union, in view of the Far Eastern policy of the Comintern, is very anxious to extend the Bolshevik influence and rob China of her political powers by utilising the Chinese Communists. We thus see that both Japan and Russia pursue a vigorous policy toward China, while the British and American policy is weak. . . .

" But for the moment the imperialistic objectives before us are Japan and England. We should make Japan the

main object of our offensive for the present, reserving a defensive attitude for England and trying to make America preserve a neutral policy towards us."

With the students of China demonstrating noisily in favour of the " offensive " against Japanese interests, and Tokio grimly determined never to surrender the rights and privileges gained in the past, difficulties and " incidents " were inevitable. Truth to tell, the goodwill which might have drawn the yellow races together to their mutual advantage, was lacking on both sides.

Nor did the Chinese authorities trust to the inborn contempt of their people for the " pirates of Nippon " to fan the flames of anti-Japanese sentiment, and enable this anti-foreign programme to be carried out. Anti-Japanese propaganda was introduced into the curriculum of all schools. The text-books used in educational establishments contain lessons dealing with the " unequal treaties," foreign oppression, and the vital importance of recovering all foreign rights and privileges. And in all cases, Japan is named as the chief offender. Those treaties by which Japan secured her present position in China are singled out for especial opprobrium, and " National Humiliation Days " were ordained—May 9, commemorating the signing of the Twenty-one Demands Treaty in 1915—May 30, commemorating the Shanghai affair in 1925 when Chinese students came into collision with the police, and other anniversaries keeping alive the humiliation of China by the Imperialist aggressors from across the Yellow Sea.

Following this policy of inflaming public opinion against Japan by every possible means, and inflicting the maximum damage and annoyance upon a nation which is too powerful to be routed in warfare, the Chinese developed a new weapon of " peaceful offense " in the anti-Japanese trade boycott. The institution of a boycott of Japanese goods was first tried as long ago as 1908, when the Japanese steamship *Tatsu Maru* was seized by a Chinese gunboat at

Canton and her cargo confiscated on suspicion of smuggling arms. Japan protested, and the Chinese government apologised. Whereupon the radical elements in the South, infuriated by what they considered the " weakness " of their government in the face of Japan, started a boycott of Japanese goods which had assumed nation-wide dimensions before it finally ended eight months later. This first boycott inflicted grave damage to Japanese trade, and the Chinese quickly realised the value of the new " weapon " they had discovered. Since that date, the trade boycott has been enforced many times against Japan, and may be said to have become a recognised instrument of Chinese national policy.

We do not propose to relate the long history of the various " incidents " which have caused the Chinese repeatedly to enforce, or attempt to enforce, a ban upon all Japanese trade with their country. One example will suffice to show how the policy of " non co-operation " has been used for political ends, occasionally against the British, but more frequently against Japan.

By the decisions of the Washington Conference in 1921–22 Japan's rights in Southern Manchuria, including ownership of the South Manchurian Railway and occupation of the leased territory of Kwantung, were reaffirmed. Japan, on the other hand, had temporarily to abandon any hope of a preferential position in Manchuria as a whole, and, in January 1922, to surrender some of her rights over Shantung.

These " concessions " only increased the anti-Japanese feeling in China, and on November 1, 1922, the Chinese National Congress passed a resolution declaring that the " Twenty-one Demands Treaty," signed in 1915, was null and void, and calling upon the government to demand the restitution of Port Arthur to China. The formal demand for the return of both Port Arthur and Dairen was presented to the Japanese government on March 19,

1923, and rejected by Japan four days later. The immediate result was the institution of a wide-spread anti-Japanese boycott which lasted until August of that year—the first trade war between the two nations to be officially designated an " economic boycott of Japan."

In view of the damage inflicted upon Japanese trade by the boycott weapon during the past twenty-five years, it was not surprising that when the Manchurian trouble began, the Chinese should seek to strike back at the invader with what has become almost the traditional method of expressing their hatred towards Japan.

" Upon the oubreak of the Manchurian trouble, the anti-Japanese agitations in various parts of China received a strong impetus," states the author of *Sino-Japanese Entanglements*.[1] " These agitations were conducted under the well-ordered guidance of the Anti-Japanese National Salvation Society. Acts of violence against Japanese residents became more and more frequent all over China. The National Salvation Society not only enforced the prohibition of the sale and distribution of Japanese goods, but compelled the repudiation of all existing contracts, the stoppage of all transactions with the Japanese, and the strike of all Chinese in Japanese service. In short, it was a complete severance of economic relations with Japan that the National Salvation Society demanded. In order to secure an efficient execution of all these plans, recourse was had to a forcible inspection of stores, intimidations and every sort of violent sanction. Even sentences of death were meted out to rebellious spirits. In these and other ways, not only the freedom of our people to reside and trade in China were seriously interfered with, but even the right of subsistence was denied them. It was, in short, a warfare without recourse to actual hostilities. It was something not essentially different from a severance of relations between the two countries."

[1] *Herald Press*, Tokio, p. 220.

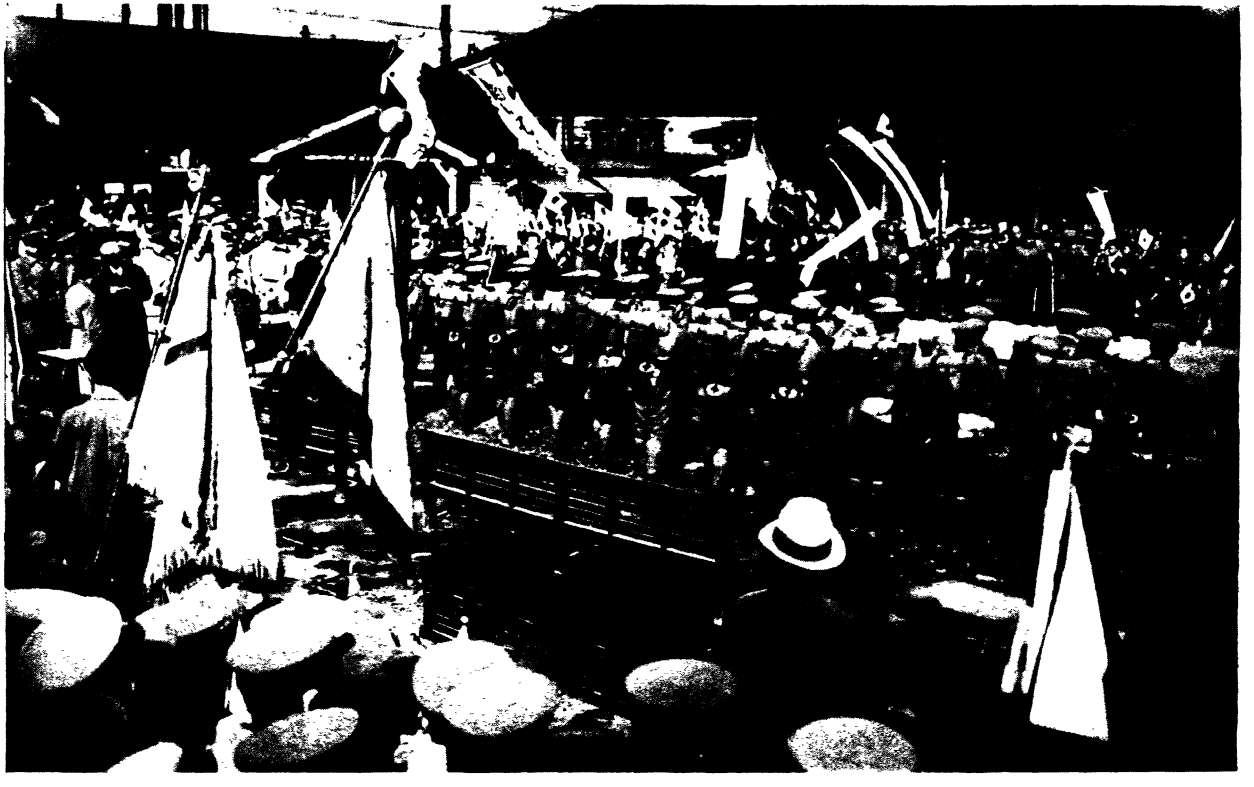
The losses inflicted upon Japanese trade by this latest boycott, which still continues, have been extremely heavy, especially if Japanese dependence upon a favourable trade balance, and the importance which Japan attaches to her position in Eastern markets, are taken into account. A survey made by the Japanese Chamber of Commerce at Shanghai early in 1932 revealed that the boycott had resulted, up to that date, in a loss of approximately 185 million taels (about £18,000,000) to Japanese trading interests. The docks and godowns of the Chinese treaty ports were then crowded with over 800,000 tons of "frozen" goods from the mills and factories of Japan, while in Shanghai alone the Japanese products owned by Chinese and placed under seal by the boycotters were valued at 60 million taels.

These figures, be it noted, do not take into account the thousands of tons of goods held up in Japan, nor the indirect losses suffered by Japanese trading and commercial firms.

According to the Japanese Chambers of Commerce, the immense accumulation of Japanese goods at Shanghai and other Chinese ports in 1932 was largely due to the fact that Chinese business houses refused to accept merchandise ordered before the inception of the boycott. Chinese banks even refused to make payments where funds were forthcoming to clear bills of lading. Thus the rejected cargoes had to be stored locally, often with considerable loss owing to depreciation.

Further, the accumulation at Shanghai, amounting to 700,000 tons at one time, was increased owing to disturbances in the interior. Merchandise ordered from Japan, for transhipment to either river or coastal craft, had to be retained in Shanghai for safety.

According to Japanese figures, the accumulation included 7,415,000 taels' worth of imported Japanese cotton yarns and piece goods, while another 33,423,000 taels'



HOME FROM THE "FRONT"

worth of similar materials definitely on order were stopped before leaving Japan. A further 11,347,000 taels' worth of finer printed goods which had been ordered previous to the boycott had to remain in the warehouses. The ban extended to cotton goods made in the Japanese-owned mills at Shanghai. The Japanese Cotton Millowners' Association reported that 86,000 bales of cotton yarn had been spun and 50,000 bales of piece goods produced in Shanghai during the first weeks of the boycott. The Chinese refused to take delivery, and the whole 136,000 bales were left on the hands of the mills concerned. Altogether, Japanese enterprises in China produced 50 million taels' worth of goods for which no customers could be found.

Nor were the losses confined to actual manufacturers. It has been estimated that the Japanese shipping lines and marine insurance companies had lost 35 million taels by April 1932, this figure including the falling-off in freights, premiums and other revenues. So grave was the interruption of business that many vessels normally plying in Chinese waters were laid up, and skeleton services only operated between Japanese ports and China.

" It is an historical fact that localities with memories of Japanese military prowess are as a rule free from the anti-Japanese movement," states the author of *Sino-Japanese Entanglements*. " For instance, at Tsinan in Shantung, where people still retain a vivid impression of the heroic achievements of the 6th Division in 1928, there has not been witnessed any serious attempts at boycotting Japanese goods in connection with the present Manchurian crisis. On the other hand, the anti-Japanese movement has been very strong in the Yangtse Valley, where the people as a whole have never had an opportunity of personally witnessing the might of the Japanese army and consequently feel contempt for Japan."

In that statement may be found one reason for the strong

action which the Japanese took at Shanghai in February 1932, when Japanese marines and troops shelled and captured Chapei in an effort, regarded by many foreigners residing at Shanghai itself as needlessly violent, to break the boycott.

Chinese contempt for, and opposition to, the Japanese finds its echo in Japan's belief that force is the instrument best fitted to further her aims in China. The inability of the Chinese to adapt themselves to Western ways has played into the hands of Tokio, the Japanese trading with constant gain for themselves upon the inefficiency and helplessness of the largest land unit on the globe—a land with the greatest population, but cursed by an inherent weakness, lassitude, and incompetence without parallel in history.

Despite the high-sounding phrases of Kuomintang programmes, opposition to change is so deeply rooted in China that it is evident on every side. The Chinese worker is averse to any innovation, even where it is to his direct benefit; such opposition is quite as strong among wage-earners as employers. In fact, from our own experience, it comes more strongly from the mass of the peasants and workers than from the providers of work themselves.

Road and rail communications need improvement, for example. There are thousands of coolies now employed on carrier's work which the motor lorry and horse-van would do better, but any improvement in the state of the roads would at once throw numbers of men out of work, and is therefore opposed. The advent of the railways, though they may afford speed and comfort to the rich traveller, is useless to the poor, since railway construction must be paid for and tends but to aggravate their poverty. Moreover, in Chinese eyes such things are at variance with the traditions of the past. The majority of those affected entirely fail to recognise that the railway and the road open

up new markets for produce, lead to improved cultivation, and so create employment.

For more than four thousand years China has been accustomed to the promulgation of codes of law by Imperial edict, the authority of which none would dream of disputing. Autocratic as was their origin, these codes were often masterpieces of detail, dealing with specified topics in a way and with a perspicuity peculiar to the Chinese; they prescribed the procedure in crimes and punishments, ceremonial observances of every kind, methods of wearing the hair, the organisation of government departments, and the conduct of affairs in all parts of the country.

These laws, and especially those relating to remote parts of the empire, were accepted as the righteous expression of the Divine authority of the Emperor, Son of Heaven and called to rule over all the peoples of the earth. No other method of law-making will ever receive the same unqualified respect and universal observance. Attempts to inaugurate widespread changes have been made from time to time in Chinese history, but none of the edicts and reforms was in accordance with the mentality of the Chinese masses, and most of them were soon forgotten.

Change there certainly has been and will be. The press, which apart from the *Peking Gazette*, the official journal, was unknown thirty years ago, is assuming greater power and disseminating knowledge and opinions that were foreign to the Chinese mentality in the days of the emperors. But the press as a whole is less rational in its outlook than might be expected; anti-Japanese feeling being the predominan note.

The power of the press in China, however, is still confined to the coastal fringe and the vicinity of the treaty ports. In the interior it has no influence, and the old order still reigns supreme.

A belief in witchcraft and magic is strong throughout

Western China; there has been antagonism to the exploitation of coal mines in the province of Shensi on the ground that such activity would disturb the gods and Feng Shui, and must inevitably bring fire, death, and pestilence over the land. Only a short time ago, one of the most advanced and progressive provincial governors set up a tablet in his province to ward off drought, and endowed it with adequate funds so that the public might come to the shrine where it was lodged and pay homage to this miracle-working wonder.

In the West, where we come into contact with only a limited number of educated Chinese, the extent of this age-old conservatism is little realised. An attempt was made recently to improve labour conditions in China. Draft conventions and recommendations were prepared for benefiting the workers. But those responsible for drafting the recommendations had no conception of the general conditions of life in China and the primitive—indeed, patriarchal—lines on which agriculture and industry are carried on.

So far as land workers are concerned, none of these conventions and recommendations was devoid of practical value. Before they could be imposed, however, an immense amount of preliminary work would have to be accomplished in educating the workers affected to an understanding of the benefits aimed at.

Some of the recommendations dealt with the appalling conditions under which men, women, and children work in the cinnabar mines of Hunan. The intention was to safeguard the health of these workers, who were being slowly poisoned as a result of the insanitary conditions. The Chinese government displayed no interest whatever in their condition, and the recommendations were never enforced.

Again, the Rockefeller Institute, to which China and the Far East owe a debt of gratitude, investigated the

conditions in the same mines and made several wise and helpful suggestions, with concrete offers of assistance to put them into effect, but the authorities did not, then or subsequently, do anything to secure their adoption.

It is easy to understand how this indifference to all progress, however beneficial, on the part of the great mass of the Chinese people, has played into the hands of the enterprising Japanese, anxious to convince themselves that, in developing Chinese resources, they are benefiting the people of that nation as much as themselves. When the backward state of China is remembered, and also the anti-Japanese bias of her rulers, Japanese "aggression" becomes at least understandable. As one Japanese business man said recently: "You of the West talk about aggression. With China in her present state, aggression means the spread of Japan's civilising influence, and the salvation of China."

The inability of the Chinese to evolve any sort of order and tranquillity out of the present chaos is, apart from the boycott, often advanced by the Japanese in their arguments in favour of intervention. There is some truth in the Japanese view that their influence in China, where they have been permitted to exercise it, has brought at least material benefits to the mass of the people. A feature of Chinese life in many provinces, for instance, has been the commandeering of labour and the confiscation of property and wealth of all kinds by war lords and armies engaged in civil war. Even in some of the treaty ports, long files of men may be seen roped together—conscripted to act as transport for the particular army enjoying temporary power and authority for the moment in that area.

The men thus impressed receive no pay or allowances, they must perforce shift for themselves, and are fortunate if they manage to see their homes again. From their ranks, more bandits and lawless elements are recruited, and the province concerned suffers in added proportion.

The root cause of much of the present suffering in China, and one inviting intervention, is the utter insecurity of life in many parts of that land. The Japanese, even better than the rest of the world, know this, and it is hardly to be wondered at if—faced with insults and boycotts—they let it form part of the political platform on which their actions are based.

No matter how hard-working and thrifty a land-worker may be, and the agricultural class of China numbers 78 per cent of the population, there is no security either for his savings or his person. He may have the little worries and anxieties inherent in life itself, but these are nothing by comparison with the larger ones hanging over him like a sword of Damocles.

At any time of the day or night, and it is mostly at night that outrages occur, he may be dragged from his home and carried off against his will to play the part of a transport animal, to be a hewer of wood and drawer of water for the army of the local war lord operating in a territory as large as Wales.

He may be held to ransom, or pressed into military service to fight in a war concerning which he knows less than nothing, and the object of which is as unintelligible to him as it is to the rest of the community. His personal freedom is invaded and outraged at every turn; he must exist without wages or any visible means of subsistence beyond what he can pick up from those around him. Compensation is a pious hope, and the possibility of obtaining any redress for the many wrongs which he suffers as remote as the dawn of the millennium.

Exposed as the Chinese masses are to every form of outrage and indignity, it can readily be understood that, despite the teachings of Confucius, who ordained that the profession of arms was not an honourable one, they seek the line of least resistance and take up the more remunerative trade of brigandage. The alternatives are to submit

to unlimited blackmail without redress or to remove to the towns and larger centres, where the element of safety is igher.

To those habituated to the law and order of a well-organised Western country, to the discussion of national and local problems by elected representatives or intelligent rulers, and to the just settlement of questions affecting the well-being of the citizen, it is difficult to convey an adequate idea of conditions in China to-day. It is true that changes are taking place and that reforms are in the making, but however highly the ability of the Chinese is assessed—and no one will question the skill and sagacity of the Chinese nation in many ways—we are not sanguine enough to anticipate that the present generation, or the next, will produce any marked change in the picture.

The Oriental can imitate, as we have seen in the case of the Japanese nation, and he can adapt modern ways and methods to suit his own environment, but the difficulties to be overcome in China, alike from the religious, political, and economic standpoints, are immeasurably greater than those encountered in the evolution of the British race from the time of the Romans down to medieval days or later. Indeed, it is not going too far to say that if the Chinese, or those who are the chief participants in their regeneration, can raise the level of the present time to that which obtained in Britain during the fifteenth century, they will have gone a long way to effecting an immense improvement. Possibly the Japanese, who have done so much in their own homeland in so short a time, may be able to effect the metamorphosis in the event of an improvement in the relations between the two nations. But while the aims of Tokio remain what they are to-day, such a *rapprochement* is hardly to be expected.

It is more probable that Japan, exasperated by the confirmed anti-Japanese policy of the Kuomintang, and suffering from repeated trade boycotts, may seize upon

these factors as reasons for extending its interests in China. The immense natural resources with which Nature has endowed that country, compared with the scarcity of them in Japan, forms a contrast too great to be denied; in that fact we see the irresistible magnet drawing the Japanese on slowly and surely, despite all protestations by other Powers, and in defiance of treaties signed but a few years ago.

The weakness of China, and the rabidly anti-Japanese policy of Nanking, provide Tokio with both the opportunity and the excuse. The depredations of the Western Powers in China in the past provide her with a pattern which, late in the day, she does not scruple to copy. It is a situation pregnant with danger for the peace of the Far East. For apart from considerations of the balance of power in the Pacific, it is doubtful whether other Powers would be willing to see their great interests in China placed in jeopardy without protest. Hence the strong criticism concerning Japan's "direct action" at Shanghai, which might easily have led to Chinese reprisals against the International Settlement. Despite all that we have written concerning the backward state of China, it must not be forgtten that in the cities and along the coast a strong nationalist spirit is in evidence, directed especially against Japan.

China may be too weak to win a war against a modern army, but she is strong enough to dislocate international trade within her borders and seriously to embarrass foreigners resident there.

One fact which makes the present direction of Japanese foreign policy perilous to its sponsors is the danger that by a conflict between the two yellow races Japan may succeed in doing for China what Nanking is powerless to do for itself, to unite the Chinese behind the government in its efforts to defeat the aggressor. None who understood the thrill of patriotic pride which swept across that vast

country over the stubborn defence put up against superior forces by the 19th Route Army at Shanghai in 1932 can doubt the possibility of Tokio achieving even that miracle should the Japanese army venture out of Manchuria and into China Proper. Indeed, it is by no means certain that China, if the attempts now being made at Geneva to effect a settlement of the Manchurian question fail, may not pit her military strength against Japan in the Three Eastern Provinces.

Meanwhile the other conflict, represented by the boycott movement, goes on, fed by the flames of hatred towards Japan.

Is there any sign that this anti-foreign agitation may slacken? According to a survey recently made by the *North China Daily News* (Shanghai) with the assistance of its correspondents in all parts of China, some improvement has already taken place.

This improvement has been most marked at Hankow, where General Hsia Tao-yin, the provincial Governor, has prohibited all anti-foreign propaganda, or interference with traders. Largely owing to this action, Japanese residents of Hankow were able to continue their business unmolested during the months when the Japanese armies were overrunning Manchuria, and attacking at Shanghai. Similar reports of improved relations were received from many other centres.

On the other hand, the correspondent in Anhui stated that " In north and west Anhui, communists rule the people, and great unrest is spreading far and wide. It seems to me that they are only waiting for a leader to fan the fire into a flame. Among the better class of people the expression, ' Oh, for the good old days of Manchu rule,' can be heard on every hand. The Japanese boycott is largely carried on, and in many towns anti-Japanese posters and placards can be seen posted up on the walls and in public places denouncing and reviling the Japanese.

Because of these vile posters this attitude has had its effect upon all foreigners. The ignorant Chinese and children are not able to differentiate between the Japanese and foreigners of other nations."

That there has been any improvement at all at a time of crisis is a matter for congratulation, and shows that the anti-foreign policy of the Chinese authorities has not affected the outlook of the great mass of the Chinese people as much as some observers have suggested. Whether the improvement continues, with immeasurable benefits to China and the world, or antagonism is once more intensified, depends more upon Japan than any other nation. The responsibility resting upon the shoulders of the Tokio government is a heavy one, for inevitably Japan's actions in the immediate future will affect the fortunes of many interests apart from the Japanese themselves. Unfortunately, there is little evidence to support the view that Japan will change her policy of expansion, based upon imperative national needs outlined elsewhere in this volume, in order to avert a continuance of the present acute feeling between the yellow races. Rather, Tokio would probably view the further spread of chaos in that land with complaisance, realising that a divided China removes one obstacle from the path of Japanese hegemony of the Far East. Providing always that Soviet Russia does not reap what Japan has sown!

CHAPTER IX

MANCHURIA: FACT AND FICTION

"MANCHURIA holds the key to the peace of the Far East," declared the Japanese Minister for Foreign Affairs, in the course of a speech delivered in the Imperial Diet on January 21, 1931. The Minister might well have added that vital necessity had dictated the virtual annexation by Japan of China's three Eastern Provinces.

Faced with the choice of standing idly by while rights and privileges laboriously acquired during the past forty years were placed in jeopardy, or taking swift and drastic action to maintain and extend their country's position in Manchuria, the Japanese military authorities took matters into their own hands. The armed forces overran the whole of Manchuria, and it remained only for the Japanese government and people to applaud a *coup d'état* which, history will almost certainly record, tore a territory as large as Germany and France combined from China and added it, despite the fiction of "Manchukuo" independence, securely and permanently to the Japanese Empire.

Both the immediate interests, and considered policy of Japan, dictated the separation of Manchuria from China. What more convenient moment was likely to present itself than that afforded by the existence of continued breaches of treaty rights on the part of the Chinese authorities—some of them denied satisfaction by the Nanking Government despite repeated protests over a period of years—and the continuance and spread of internal chaos in China?

China may not have violated any international treaty, and may have exercised the utmost rectitude by appealing to the League of Nations when faced with Japanese aggression. Japan may—indeed, undoubtedly did—violate both the letter and the spirit of the Nine-Power Treaty, the Kellogg-Briand anti-War Pact and the League Covenant, to all of which she was a signatory. But it was the

violation of treaty rights conferred upon Japan by former Chinese governments, including Republican governments, which provided the Japanese with the excuse needed to achieve their long-standing aims in Manchuria.

Japan's " special interests " in Manchuria and Mongolia, recognised by Sir Edward Grey, on behalf of the British Government, as long ago as 1910,[1] date from the Treaty of Portsmouth, N.H., which was signed in 1905. Under the terms of this treaty, Russia transferred to Japan her lease of the Kwantung province, the railway between Port Arthur and Changchun and its branches, and the coal mines along the railway. China later approved the terms of the Treaty of Portsmouth in a further treaty, signed at Peking on December 22, 1905, and pledged herself " not to construct any main line in the neighbourhood of and parallel to " the South Manchurian Railway " or any branch line which might be prejudicial to the interest of the above-named railway."

Japan secured further rights in Manchuria, in a new treaty ratified by China in 1915, in which the Chinese Government agreed to the following concessions :

1. The extension of the term of lease of Port Arthur and Dairen and the term of the South Manchurian Railway and the Antung–Mukden Railway.
2. Permission for Japanese subjects to lease lands and to enter, travel, and reside in South Manchuria for trade, manufacture, and agriculture.
3. The opening of more towns in Eastern Inner Mongolia to international trade.
4. Recognition of joint enterprises of Japanese and Chinese in agricultural and auxiliary industries in Eastern Inner Mongolia.

[1] Sir Edward Grey stated in the House of Commons on June 11, 1910, that the British Government recognised that " Russia and Japan have special interests in Mongolia and Manchuria."

5. To call first on Japanese capital, if China should propose to build railways in Manchuria and Eastern Inner Mongolia through foreign loans.
6. Opening of nine mining districts in Manchuria to Japanese enterprise.
7. Preference to be given to Japanese in case China should employ foreign advisers or instructors in political, financial, military and police matters in South Manchuria.

The rights thus conferred upon Japan have been the most bitterly assailed of all the " unequal treaties " by Chinese nationalists, and attempts on the part of the Chinese administration in Manchuria to render the treaty a dead letter continued for years prior to 1932, despite repeated Japanese protests.

For example, under clause 2 above, Japanese subjects were entitled to lease land in South Manchuria under free contract for commercial, industrial, and agricultural enterprises. The Chinese authorities, however, made repeated attempts to deprive Japanese subjects of this legitimately-established treaty right (a right vital to the development of Manchurian trade) by issuing a number of ordinances and regulations prohibiting Chinese subjects from selling land to any Japanese or Korean. By the terms of an ordinance issued by the Mukden government in 1929, any Chinese citizen selling land to foreigners was liable to the death penalty !

" In March 1930, Mukden officials, by threat of capital punishment, forced a Chinese, Li Un-pi, to recover title-deeds from the Eastern Asiatic Industrial Company under Japanese management, relating to land leased at Mentaitze," states the *Third Report of Progress in Manchuria*, issued by the South Manchurian Railway (June 1932). " In Penchihsien, a Chinese was imprisoned for having leased lime-producing land to a Japanese, and the authorities proposed

confiscation of that land, while a Chinese landlord in Tsianhsien was arrested for having let his house to Japanese for a police office."

Similarly, Korean settlers living on scattered farms were, because of their Japanese nationality, frequently subject to Chinese interference. Leases granted to them by Chinese were forcibly cancelled, and in some districts Koreans who refused to apply for naturalisation were informed that they were liable to deportation, and their property to confiscation.

Commenting upon the repeated and systematic violation by the Chinese authorities of treaty rights in Manchuria, Mr. Matsudaira, Japanese Ambassador to Britain, declared that the Chinese " had taken up a systematic attitude of disrespect toward Japanese rights and interests established by treaty, claiming that the treaties and agreements of 1915 between Japan and China were null and void because they were concluded ' under duress.' The treaties were, however, regularly and formally signed by the competent authorities and duly ratified. If their validity was to be denied on the pretext that they were concluded under duress a very dangerous precedent would be introduced into international law. Many treaties would lose their efficacy, including all treaties of peace."[1]

That Japan had legitimate grievances cannot be denied. That in China public opinion was wholly antagonistic to the " special interests " which Japan, by fighting two costly wars and by the investment of money and brains, had established in Manchuria, is also unquestionable. But treaties, however " unequal," cannot be nullified or torn up by unilateral action without complications. How long the patience of the Japanese government, faced with an accumulation of over two hundred separate and distinct grievances to which China denied satisfaction, would have

[1] Speech delivered at the Savoy Hotel, London. Reported in *The Times*, April 7, 1932.

lasted will never be known. For the profoundly unsatisfactory situation existing in Manchuria coincided with a growth of nationalist and patriotic feeling in Japan, and especially in the armed forces which had for years kept remote from politics. And it was the patience of the Japanese military commanders in Manchuria which suddenly became exhausted.[1] By taking the direction of affairs into their own hands, and putting into operation a plan, long-prepared, for the eviction, bag and baggage, of the anti-Japanese administration of Chang Hsueh-liang, the Japanese army left the politicians at Tokio with nothing to do but to arrange a day of national rejoicing to celebrate the "victory." As for world opinion and the League, there is no evidence that the military worried over-much about how their actions might be interpreted in London or Washington. Treaty rights enjoyed by Japan had been violated, there was no hope of conditions improving without drastic action, and national ambitions and immediate interest alike suggested that the Gordian knot should be cut, and the path cleared for the large-scale development of Manchurian resources by Japan, untrammelled by a hostile administration.

Without even consulting the civilian members of the government, the army moved forward "according to plan," and the Tokio government was left to make its own explanations to the world at large. So far as the Army was concerned, when it spoke at all, it spoke with artillery, machine-guns and aerial torpedoes—remembering, perhaps, the famous adage that China is a country which "will yield nothing to reason and everything to force."

Having taken the step which separated the Three Provinces from China, Japan was debarred alike by her vital interests and public opinion within her own country,

[1] "It was not foreseen by foreign observers, nor, so far as the public record goes, by any Japanese, that the Army, which had been out of politics for a decade, would force a solution by its own methods. . . ." *The Times*, August 8, 1932.

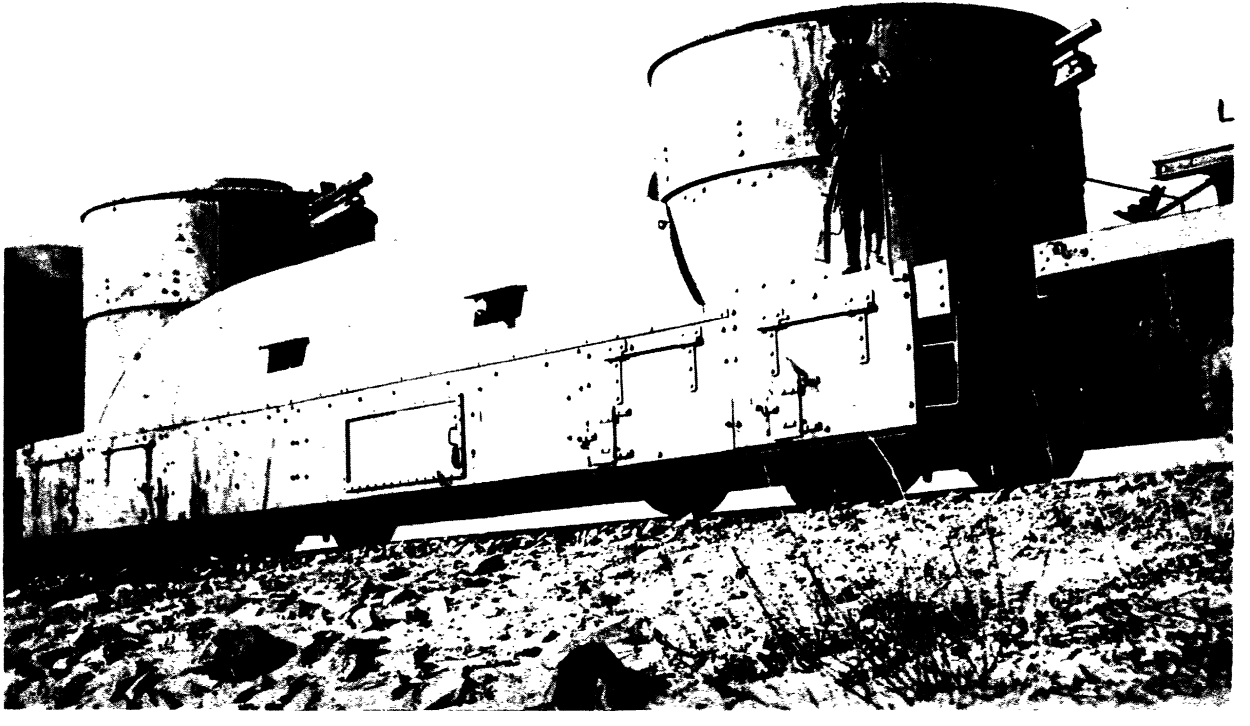
from surrendering any of her gains. From that moment when, on the night of September 18, 1931, the destruction by Chinese soldiers of the South Manchurian railway track outside Mukden, provided the spark which fired the explosion, the die was cast. The Japanese military authorities never had any intention of halting the advance of their armed forces, either at the bidding of the League of Nations, or any group of Powers seeking to apply the methods of Western diplomacy to the Far East, until the whole of Manchuria was " freed " from Chinese control. Behind the many and suave " explanations " offered to the League Council lay the fact that Japan had counted the cost, and was prepared to pay the price, even to virtual isolation or even war, rather than retreat.

The vital importance to Japan of free and unrestricted access to the Manchurian storehouse of food and raw materials is well known and undisputed.

" Japan, in the event of a Pacific conflict, would to a large extent be dependent upon raw materials drawn from Manchuria, three provinces belonging to another Power which might attempt to close this natural storehouse to her," we stated in *Manchuria: the Cockpit of Asia.*[1] " This fear, more than purely commercial considerations, may be held to explain the forward policy pursued by Japan in Manchuria since 1905. Japan wishes, without actually proclaiming the annexation of Manchuria, to so consolidate her position there, as economic overlord, that China will not dare to close that open door in her face. Japanese diplomacy, from the presentation of the famous Twenty-One Demands, has been based upon that simple fact. Time has been on her side, for as China, distracted by civil war and communism, has grown weaker, the Japanese grip upon the rich plains and mineral wealth of Manchuria has strengthened."

" It must be obvious to everyone acquainted with the

[1] Jarrolds, 1932, p. 113.



THE WAR IN MANCHURIA

A Chinese armoured train used during the early resistance to the Japanese "invasion" of China's three Eastern Provinces

resources of Japan and the density of her population that she has been forced to seek territory somewhere in the world in which to gain a living for her nationals under less difficult conditions. The region most suitable for such expansion for geographical, historical, and many other reasons is Manchuria," states Mr. Kimmochi Ohkura.[1]

The most important of Manchuria's resources is its enormous expanse of fertile soil, over 55 per cent of which is still uncultivated. In this vast plain, farm products valued at 1300 million yen are raised every year, consisting mainly of soya beans, kaoliang, millet, corn, wheat, barley, rice, and hemp. By improved methods of farming, such as can be introduced under Japanese control, it is estimated that the production of farm produce can be increased to nearly three times the present figure.

Next in importance is Manchuria's wealth of timber forests. Japan, a heavy timber-consuming country, urgently needs unrestricted access to the forests of Kirin and Heilungkiang. Iron and coal, two vital necessities of both peace and war to the Japanese Empire, and both of which she has to import in large quantities, exist in abundance in Manchuria.[2]

The Mongolian plains support immense numbers of oxen and sheep. With improved methods of cattle and sheep breeding, the quality of Asiatic wool will be immensely improved. The Kwantung province is one of the most important sources of salt supply in the Far East, while the waters off Manchuria yield large quantities of fish, one of the staple foods of the Japanese and Manchurian peoples.

Privileged, or at least unrestricted, access to these resources are of the utmost importance to overcrowded Japan. How important is evidenced by the fact that since 1905 that country has severely strained her financial

[1] " Tapping Manchuria's Resources," *Contemporary Japan*, December 1932.
[2] See Chapter IV.

resources in order to sink a total sum of 2000 million yen in Manchurian enterprises. Moreover, no effort has been spared by Japanese scientists and chemists to increase the value of Manchurian exports and to improve the efficiency of their industrial and agricultural enterprises in that region. Thus in 1915 a farm experimental station was established on the South Manchurian Railway at Kung-chuling, the staff of which has, by continued research, selected three varieties of soya bean out of over eight thousand, as the best varieties for Manchurian conditions. These "improved big beans" now yield a 20 per cent larger crop, with the result that the yield of Manchuria's greatest export has been greatly increased, and the farmers have seen the value of their crops increased by 40 per cent without extra effort.

In the past the Chinese have been the chief beneficiaries of Japanese participation in Manchurian industry. Manchuria was liberated from Russian military control by Japan and the whole area, apart from the Leased Territory and Railway Zone, restored to China after several years of military occupation. The presence of Japanese troops in South Manchuria during years when China was in a state of chaos materially assisted in the preservation of law and order. Japanese enterprise and energy, quickened by the urgent needs of Japan, and a belief that that country would be permitted to gather the fruits of that enterprise, was largely responsible for the rapid growth in the value of Manchuria's foreign trade.

An extensive and excellent railway system has been established with the direct participation of Japanese capital—and in the Far East, where transport facilities must precede the opening-up of the countryside, every mile of railway track laid down is a service to the whole population, including the farmers who depend upon swift and cheap transport to get their crops to market.

Japan built schools and hospitals in the Railway Zone, where the population is 80 per cent Chinese, and medical services were improved. Japanese enterprises are to-day employing hundreds of thousands of Chinese workers, who enjoy higher wages and better conditions than those employed by native firms. Indeed, were it possible to eliminate the conflicting national policies of the two nations, and other political considerations, it might be said that the energy and enterprise of the Japanese race, allied to the needs of China's three Eastern Provinces, formed an ideal opportunity for co-operation beneficial alike to China and Japan.

If the contrast between the settled conditions in South Manchuria, and the insecurity created by the depredations of rival war lords in other regions is considered, Japan's claim to have conferred many positive benefits upon the Chinese population of Manchuria becomes even stronger. It is impossible, however, to ignore national sentiment, and the Chinese viewed the steady advance of Japanese interests in a different light. Among the Chinese settlers, opinion was hostile to Japan, while the Chinese administration regarded the privileged position which Tokio had wrested from former governments as " Imperialist exploitation," and an infringement of China's sovereign rights. Particularly was this so following the death of Chang Tso-lin, the Northern War Lord, and the extension of nationalist agitation in China against the " unequal treaties," in which phrase the Nanking propagandists numbered those treaties by virtue of which the Japanese had established their " especial interests " in Manchuria. With chaos spreading northward from China and a corrupt administration intent upon making any further foreign participation in Manchurian industrial development impossible on the one hand, and Japan's special interests—it must be repeated—won by the waging of two costly wars, and her urgent need of access to Manchurian resources on the other, an

explosion was inevitable. That explosion the Chinese did nothing to avert.

"The military clique which managed affairs under the administration of Chang Tso-lin and his son were extremely zealous in the acquirement of wealth, but utterly incapable of creating it. They demonstrated unusual skill in wringing money out of the people, but they were singularly deficient in the ability to make their subjects rich as a preliminary to enriching themselves. Any commercial or manufacturing opportunity which seemed to offer chances of money-making was quickly seized by the Government or Chang Tso-lin himself for direct personal exploitation, with the result that to the general public such openings were entirely denied. As other parts of China were in a still more miserable condition, thousands of Chinese refugee emigrants had flocked to Manchuria, wherein to become the object of Chang Tso-lin's insatiable desire for extraction. In this the bandit General was unusually fortunate, for it is apparent that if the rest of China had enjoyed a greater measure of peace and order than the Three Eastern Provinces, and if the Japanese had not come to Manchuria, the Changs could not have continued their career of unprincipled exploitation as long as they did."[1]

"Nevertheless, the Government of the Three Eastern Provinces promulgated several ordinances preventing foreigners from gaining access to resources and pressure was brought to bear on the population to do likewise. In recent years the Government even attempted to recover unlawfully the rights and concessions guaranteed to foreigners, and particularly to the Japanese, thus giving rise to an unending series of controversies, the facts of which are familiar to every student of Manchurian affairs. Under these circumstances, it became impossible to pro-

[1] "Tapping Manchuria's Resources," *Contemporary Japan*, December 1932.

mote new enterprises, and apprehension began to be felt as to the future status of those projects already in operation. Thus Japanese economic activities in Manchuria, which had constituted the bulk of the industrial development of the region, were impeded at every turn."

That statement, from a Japanese source, will be accepted by those conversant with the facts as substantially true. The difficulties of foreign traders in Manchuria, at least subsequent to the death of the independent Chang Tso-lin, and his son's obeisance to the Nanking government, were very much those which faced foreigners in all parts of China during the years of growing unrest and civil war. What made it certain that this state of affairs could not continue indefinitely in Manchuria without precipitating a crisis (a crisis which, as we shall show, enabled Japan to carry her settled policy a step further) was the special position which Japan occupied in that region.

" For over twenty years Japan has continued to exercise the greatest patience and moderation in the hope that some day China might soberly undertake the task of rehabilitating her fortunes and playing her proper role in the maintenance of peace in the Far East," declared Count Yasuya Uchida, Minister for Foreign Affairs, in a review of Japanese policy regarding Manchuria delivered in the Diet following the recognition of the new Manchukuo " state " (August 25, 1932). " China failed, however, to show any sincere desire to reciprocate our good will and kindly sentiments, but increased more than ever her arrogance and intolerance. Our Government took pains time and again to preserve the patience of the Japanese people. But China did not heed our warnings. The incident of September 18 occurred in Manchuria, the very region regarded as the first bulwark of Japan, at the precise moment when the feeling of our people had been wrought up to the highest pitch by repeated provocations. We had no alternative other than to resort to measures of self-defence.

"There are those who argue as though the action of Japan were a violation of the Kellogg-Briand anti-war Pact. But such a contention has no foundation in fact. As I have stated, Japan has been forced to adopt the necessary measures for the prevention of wanton attacks upon important rights and interests vital to her national existence."

Whatever the justification, the immediate result of Japan's action has not been a restoration of law and order within Manchuria, but a state of widespread guerilla warfare between irregular Chinese forces (labelled "bandits" by the Japanese) and the scattered Japanese troops which may severely tax the resources and ingenuity of the Japanese commanders.

In this matter there is a direct connection between the stubbornness of the Chinese armed bands in Manchuria and the defence offered to superior Japanese forces by the 19th Route Army at Shanghai in February 1932.

"The significance of the Shanghai episode, from the military point of view, is that it galvanised every Manchurian soldier and bandit into activity, and has helped to create a situation in Manchuria which the Japanese now recognise can be dealt with only by large forces operating over a long period. The Japanese staff officially expects to clear things up by the autumn, but some officers admit that it will take much longer, while the plain Japanese business men downheartedly feel that their army may be kept busy for years trying to subdue this difficult and recalcitrant Manchuria."[1]

Already the task of attempting to "clear things up" has kept a force of from 50,000 to 80,000 men, equipped with all the paraphernalia of modern warfare, and armed with the additional weapon of ruthless terrorism, fully occupied for a whole year. It can be done with patience, and the task need not prove too costly, for the Japanese

[1] *The Times*, July 7, 1932.

troops thus occupied are paid the same wages whether they are in barracks in Japan or "in the field" against Chinese forces in Manchuria.

The main difficulty lies in the impossibility of garrisoning the Manchurian wilderness and forests. Block-houses are of no avail. Japan's main hope of an early restoration of order, which in turn depends upon the acceptance, grudging or otherwise, by the mass of the people of the new form of government, lies in an actual demonstration of the benefits which she insists that government will confer upon the region in ending the state of "suspended war" with China south of the Great Wall. Whether Japan will regard the abandonment of further aims upon the Asiatic mainland too high a price to pay for tranquillity in Manchuria remains to be seen.

At present the forces operating against the Japanese in Manchuria may be divided into Chinese troops who, independently or otherwise, are continuing a "patriotic" war against the invader, and bandits. Of the two the problem of ridding Manchuria of bandits is likely to prove the more difficult.

Mounted banditry is no new phenomenon in Manchuria. In 1929 the number of bandits north of the Great Wall was estimated to be 57,000. To-day their numbers are larger, even if one discounts Japanese estimates reached by so classifying scores of thousands of refugee soldiers belonging to the North-eastern armies, who are in reality guerilla fighters often securing considerable support from local populations. During recent years, a new form of banditry has become widespread. Thousands of Chinese and Koreans from Soviet Russia's Maritime Province, infected with Communist views, invaded Kirin Province, where many of them joined forces with the original freebooters of the Manchurian plains. These armed bands inflicted serious damage on some of the railways in May 1930 and on peaceful farmers.

Following the Japanese occupation of the region, the activities of both bandits and refugee soldiers, in many cases armed with modern weapons and possessing machine guns, kept the occupying Japanese forces busy. Between September 1931 and March 1932, the Japanese military authorities reported no fewer than 208 encounters with these " enemies," including major engagements at Nonni River, Chinchow, Harbin, Ninguta, and Nungan.

There is some evidence that these irregular forces are receiving support from outside, while funds are obtained by the sale of grain and other looted stores across the Soviet frontier in the East. The attempt to use " Manchukuo " forces to effect their repression was unsuccessful, many of the troops of the new state going over to the " enemy," and taking modern rifles and ammunition with them. Thus it is clear that, whatever the fate of the new régime, the restoration of law and order must be accomplished by Japan's unaided efforts.

It may be said that the first effects of Japan's strong action in Manchuria were uniformly unfavourable upon the population, both in the cities and countryside. If life became more insecure for the lonely farmer, exposed alike to the preying bands of bandits and the reprisals inflicted upon whole districts by the Japanese forces, the business men in the towns had no reason, during 1932, to bless the civilising hand of Japanese militarism.

According to a Mukden resident:

" We see scores of chimney stacks standing gaunt, department stores employing from fifty to two hundred shopmen each with hardly a customer, pawnshops and distilleries afraid to open their doors, doing only a little business through barred windows one foot square. A foreigner can have a twenty-roomed house, servants, coal, electricity, motor-car, rent-free if he will only live there as watchman. Labour, masons, joiners, all trades are completely stopped, and so tragic and desperate is the

fate of the poor who cannot flee that in Mukden city, one of the granaries of the world, free food depots have had to be organised. The ruin is complete. Her citizens are little interested in the academic question of to whom or what her former prosperity was due. A foreign invader has upset it all, of that there is no question, and race hatred has burst out anew.

" Whether Japan's action, on September 18, was justified is another question, but at the bar of history Japan will inevitably be called upon to answer for her share in the red ruin that has since spread like a disease through the province."[1]

While the Japanese army, following the recognition of the new " Manchukuo " state by Japan, was occupied in the task of " pacifying " Manchuria, the Commission of Enquiry into the dispute, appointed by the League of Nations and presided over by Lord Lytton, was preparing on the spot a report which would provide the League with the impartial evidence needed in order to enable a settlement to be reached which would accord with international law and justice, or, alternatively, to expose to the world where the truth lay in the conflicting statements emanating from Nanking and Tokio.

The Report prepared by the Commission, a most exhaustive and valuable analysis of the entire position, was signed by the five members at Peking on September 4,

[1] *Manchester Guardian*, March 11, 1932. The Harbin correspondent of the same newspaper reported (February 4, 1933) concerning conditions in that city under Japanese occupation that " Japanese soldiers fill the tramcars, travelling up and down the line from their barracks to special duty, always fully armed and at present wearing heavy fur coats and headgear which almost covers their faces. Japanese trucks, with the Japanese flag well in evidence, career along the main streets where goods trucks were never permitted to travel before. They often drive on the wrong side of the road, but the Chinese (Manchukuo) police dare not raise a hand in protest, and small carters who carry a Japanese flag on some part of their horse's harness, because they are carting bricks or other goods for Japanese contractors, simply snap their fingers at the police, knowing full well that they will not interfere with them if the flag is on the cart."

1932, and issued on October 2. After fully surveying the grave issues raised by Japan's action, the Commission set down ten "general principles" which in their opinion should form the basis of any settlement acceptable to the League of Nations, and, therefore, to world opinion. These principles were as follows:

1. Both countries are entitled to the same consideration from the League.
2. It would be neither just nor wise, nor in the interests of peace, to leave out of consideration the interests of the U.S.S.R.
3. A solution should conform to the principles of the Pact of Paris and the Nine-Power Treaty of Washington.
4. Any failure to recognise and take into account the interests of Japan in Manchuria would not be satisfactory.
5. A restatement of the respective rights, interests, and responsibilities of both countries in Manchuria should be established in new treaties if friction is to be avoided.
6. Provision should be made for facilitating the prompt settlement of minor disputes as they arise.
7. The government of Manchuria should be modified in such a way as to secure, consistently with the sovereignty and administrative integrity of China, a large measure of autonomy designed to meet the local conditions and special characteristics of the Three Provinces. The new civil régime must be so constituted as to satisfy the requirements of good government.
8. Internal order should be secured by a local gendarmerie and security against external crises provided for by the withdrawal of all armed forces other than the gendarmerie and by the conclusion of a treaty of non-aggression.

9. Commercial relations should be placed on an equitable basis by a new commercial treaty.
10. The final requisite for a satisfactory solution to the present political instability of China is temporary international co-operation in internal reconstruction.

In general, the report constituted a plea for a reconsideration of Japanese policy, and a criticism of Japan's actions in Manchuria as a violation of her international obligations.

" About the feelings of the people of Manchuria towards the present régime," states the Report, " there can really be no doubt; and China would not voluntarily accept as a lasting solution the complete separation of her Three Eastern Provinces. Those who control Manchuria have exercised a considerable influence on the affairs of the rest of China—at least of North China—and possess unquestionable strategic and political advantages. To cut off these provinces from the rest of China, either legally or actually, would be to create for the future a serious irredentist problem which would endanger peace by keeping alive the hostility of China and render probable the continued boycott of Japanese goods."

The Commission declared, even more definitely, that " the maintenance and recognition of the present (' Manchukuo ') régime in Manchuria would be unsatisfactory."

" Such a solution does not appear to us compatible with the fundamental principle of existing international obligations, nor with the good understanding between the two countries upon which the peace of the Far East depends. It is opposed to the interests of China. It disregards the wishes of the people of Manchuria, and it is at least questionable whether it would ultimately serve the permanent interests of Japan."

Thus, while agreeing that a return to the *status quo* which existed before 1931 would not be a satisfactory

solution, the League Commission frankly expressed disagreement with the Japanese view that all that remains for the League and the world to do was to recognise the new Manchukuo "State," which had arisen out of a "spontaneous demand of the people of Manchuria for independence."

The Report was hailed throughout the world as a statesmanlike attempt to discover a lasting solution of the problem. If the conclusions of the Commissioners, and some of the implications contained in their Report, did not please Tokio, that fact was hardly surprising.

The view of the Japanese Foreign Office, after twenty-four hours' study of the document, was that the suggestions for a settlement which were outlined in its pages were "useless, because Japanese policy, clearly marked by the recognition of Manchukuo, is irrevocable, and cannot even be discussed with the League."

"What is done cannot be undone," said an official. "The League does not enter into our relations with Manchukuo, though it may still be very valuable in China."[1]

And the Tokio correspondent of *The Times* added in his message that "this intransigeance may be better understood if it is realised that recognition was a necessity of internal politics even more than of Japan's Manchurian interests. Since the National Government in Japan decided on it the dangers of a Fascist upheaval have receded. Recognition, which set the seal on the policy which the Army regarded as essential to the nation's life, was the price of internal tranquillity."

It naturally follows that the retort of the Army to the Commission should be even sharper. "Japan will pursue its already established policy in Manchuria irrespective of the findings of the Lytton Commission," declared General Muto, the Japanese Commander-in-Chief and

[1] *The Times*, October 3, 1932.

special envoy in Manchuria, while Dr. Suzuke, leader of the Seiyu-kai (Government) Party in the Imperial Diet, stated that the recommendations contained in the Report were " castles in the air."

Finally, in the course of a long document containing the " Observations of the Japanese Government " on the Report, communicated to the Council of the League of Nations on November 19, 1932, it was declared that:

" The Japanese Government's view has already been stated that a solution based upon the maintenance and recognition of Manchukuo would in no way be a contravention of the fundamental principles of international obligations. It has further been stated that such a solution would satisfy the aspiration of the Manchurians. Moreover, the expectation may be confidently entertained that the Chinese people themselves will ultimately come to realise that such a solution alone can stabilise relations between Japan and China and ensure peace in the Orient. At any rate, it can never be supposed that the dissolution of the new State, which has been set up and is making rapid and healthy progress, can really be a course adapted to ' existing realities.' It is the belief of the Japanese Government that in view of the necessity of handling and regulating these matters in accordance with the realities of the situation, it cannot be a commendable policy to ignore the actual fact of the existence of Manchukuo, or to leave that State devoid of international intercourse. Japan, because of the important and special position which she occupies in Manchuria, cannot afford to leave that country and her relations with it in a state of instability and uncertainty. For the above-mentioned reasons, Japan considers the general recognition of Manchukuo and international co-operation for the purpose of fostering its healthy development, as the only solution which is adapted to the existing circumstances and which will stabilise conditions in Manchuria and bring peace in the

Far East. It is believed that any other country placed in Japan's position would have come to the same conclusion, and would have followed the same course."

Having thus made its opinion of the Lytton Report clear beyond peradventure, the Japanese army marched on.

CHAPTER X

JAPAN MARCHES ON

FROM the moment when the Far Eastern crisis first arose, Japan has insisted upon all occasions that her actions in Manchuria were dictated by legitimate self-defence. Despite the contention of Count Uchida, and the statements contained in Japan's " observations " to the Council of the League, already quoted, however—and despite the admitted provocation offered to Japan over many years by successive Chinese administrations—the defence of her interests in Manchuria, *had that been the sole aim of Japanese policy*, would not have justified the military occupation of the whole country up to the Soviet frontier, the expulsion of all Chinese officials, the bombing of open cities, and the installation in office of a " puppet " government propped up by Japanese bayonets.

Japan could very easily, had the defence of her legitimate economic interests been her only aim, have strengthened the railway guards on the South Manchurian railway, increased her military garrison—even provided military protection for her industries while negotiations with China were being pursued. Failing satisfaction, she could have placed her grievances before the League, and explained in advance the further steps that she proposed to take in defence of her interests.

Japan did none of these things. Instead, the Japanese army set in motion by the incident on the South Manchurian railway, had occupied three cities before dawn the following day, and from that moment, with the military in control, proceeded to wage systematic war against China—a war which only ended when the whole of Manchuria had been occupied. The Japanese army acted thus, and the Japanese people supported their actions, because from the first Japan had no intention of tolerating any interference from other Powers in a region upon which her hopes of expansion had been centred for thirty years.

For unsatisfied grievances, and arbitrary Chinese ordinances aimed at restricting her interests in Manchuria, veiled the real policy which caused the Japanese armies to present the Western world with a *fait accompli*—a policy of Imperialist expansion in which the virtual annexation of Manchuria was but the first step.

Behind all protestations of " self-defence," security, and the asseverations of loquacious and procrastinating Japanese representatives at Geneva, there is concealed two cardinal factors which have been in the forefront of Japanese foreign policy ever since the day when the Twenty-One Demands were presented to Peking. These aims, of which the " Japanisation " of Manchuria is but the first step, are the expansion of Japan on the mainland of Asia, at the expense of China, and the recognition of a " Japanese Monroe Doctrine " in the Far East, which would leave Japan as the virtual and undisputed mistress of the Pacific.

The establishing of a thinly veiled Protectorate over Manchuria has not only upset the balance of power in that region, and placed Japan in a favourable position to meet any encroachment attempted by Soviet Russia in the Far East; it has emphasised to the world the gravity of the present " forward " policy of the Tokio government, and definitely opened a new chapter in Far Eastern affairs, a chapter which none can say will be ended without resort to the supreme arbitrament of war.

Japan's declarations in favour of the " Open Door " policy towards foreign nations in Manchuria—the policy by which the United States has sought, since the days of Secretary Hay, to secure a weak China from molestation and preserve the balance of power in the Pacific—are not likely to be translated into fact. The spread of chaos in Manchuria, becoming worse rather than better, following the recognition by Japan of the new Government at Mukden, has made business more difficult than ever

before, and numbers of foreign firms have withdrawn their staffs until more settled conditions return. By then, according to present indications, and if history is any guide, they may return to Mukden only to discover that, although the "Open Door" to Manchuria is in theory wide open, any passage to American, British or other interests is most effectively blocked by the Japanese. So far as foreign trade is concerned, Chinese pin-pricks and intransigence will have given glace to calculated and efficient exploitation of the region by an energetic and virile race bent upon applying in Manchuria the very policy of exclusion against which they declaim so violently when it is directed against themselves in the United States and Australia.

Despite the failure of any considerable number of Japanese to settle in Manchuria in the past, and the unfavourable climate, many Japanese now believe that the colonisation of Manchuria and Mongolia is a vital necessity for Japan. While the world's statesmen were seeking a solution of the crisis acceptable to China and Japan alike, a lively discussion as regards ways and means of settling Japanese agriculturists on the land in Manchuria was proceeding in the Japanese press.

It was assumed by all those contributing to the discussion that the new settlers would be subsidised, at least in the beginning, by the State. In this connection, it was pointed out that the Japanese government is spending millions of yen a year in subsidising emigrants to Brazil. These emigrants were "lost for good." If they could be subsidised, how much stronger were the claims to government assistance of those who might be induced to go to Manchuria, a land close to Japan in every sense of the word?

Plans for the Japanese colonisation of Manchuria were outlined in detail in the *Diamond*, an economic journal, by Major Tadashi Hanaya, of the General Staff at Tokio.

Major Hanaya proposed that a strip of land, twelve miles

in depth, along the new railways, should be reserved for Japanese colonisation.

"The new government is preparing to confiscate the lands of the former war-lords, and those will be available for Japanese emigrants. Tracts will also be purchased by a colonisation company to be formed in Japan, with a capital of 100 million yen. The first movement to be expected is an influx of Koreans, now that the disabilities imposed on them by the former government have been swept away, but this migration will need no state aid. Chinese immigration will have to be restricted if Japanese colonisation is to have a fair chance, and Major Hanaya states that legislation for this purpose is being prepared by the new government."[1]

The plan visualises the selection in Japan of colonising "communities," each consisting of from 300 to 500 persons, and including a due proportion of reservists, doctors, teachers, priests, carpenters, and so on. Each community is to select its own leaders, who will go to Manchuria, and spend at least four seasons there before the main body follows. Those years will be occupied with the erection of the new villages, and general preparation.

To aid the new settlers, Major Hanaya's plan provides for the opening of an agricultural experimental and training institute at Tsitsihar, Harbin, Ssupingkai, Taonan, Kirin, and Chinchow. Only when these centres have been opened, and the villages erected should mass colonisation begin.

In presenting this ambitious plan to the Japanese people, its author declared that "if proper methods are adopted, the Japanese immigrants will settle permanently in Manchuria, and the new State will grow up as a branch of the Japanese family."

Whether or not the plan eventually adopted coincides

[1] Quoted in *The Times*, May 17, 1932.

with that briefly outlined above, it is clear that Japan intends to undertake the systematic development of Manchurian resources, and to pursue that policy without pause. It is improbable that any threat of isolation would influence Tokio in this matter. Indeed, were territorial and economic questions settled by reference to national needs alone, Japan's case for the fullest recognition of her overlordship of Manchuria would be unassailable. A nation which has learnt the methods and the language of nineteenth century Imperialism, and which faces needs which brook no delay, is scarcely likely to reverse a policy pursued with grim determination for thirty years merely in order to propitiate a group of Powers who have, in the past, shown little sympathy with, or comprehension of, Japanese problems. Rather, there are indications that the Japanese authorities welcome the freedom of action which Western criticism has conferred upon them, criticism that has left Japan with little to lose and much to gain by cutting adrift from pacts and treaties which, in her opinion, take little account of the realities of the Far Eastern position to-day.

"The Japanese people are locked in their own territories by treaties," stated Mr. Kaku Mori, former chief secretary of the Cabinet. "As long as the Nine-Power Treaty and the Kellogg Pact are so construed in their present sense, Japan cannot expand in the East. If we are to progress we must break down this defence of treaties."

It is not without significance that Japan should, at the time of her military operations in Manchuria, have attempted to create the impression that she was the standard-bearer of the Western nations against the dangers of Soviet encroachment in the Far East. The spread of Communism in China, and carefully circulated "rumours" concerning Russian advisers with the Chinese forces and Russian corpses dead on the field of battle, helped to keep this idea alive as long as the Japanese forces were advancing

upon Tsitsihar, in Northern Manchuria, and uncertainty continued regarding the attitude of the Soviet Government to this encroachment into what has generally been regarded as Russia's especial sphere of interest.

Nor was it by accidental juxtaposition of dates that Viscount Kentaro Kaneto, a veteran Japanese statesman, revealed, in an article contributed to *Contemporary Japan* (September 1932), that as long ago as 1905 President Theodore Roosevelt had expressed approval of Tokio's dream of a "Japanese Monroe Doctrine" for the Pacific and Asia. That ambition, nursed all down the years between 1905 and 1932 with Oriental patience, but never once abandoned nor forgotten, is the real crux of recent events in Manchuria. Its propagation at a time of crisis is an assurance that the expulsion of the Chinese from their Three Eastern Provinces is no transient event, but the opening of a new and perilous chapter in Far Eastern affairs, a chapter which is designed to leave Japan supreme overlord of the whole region.

The danger of Russia attempting to carry out, under a Soviet state, the dreams of expansion in Asia which precipitated the Russo-Japanese War, may seem remote, but it may nevertheless have played a part in Japanese policy.

"After a lapse of twenty-five years, Japan once more watches the careful preparations of Russia to regain her dominance in the Far East, and again finds herself caught in the treaty trap set to preserve the peace of the Pacific and the territorial and administrative integrity of China. Again she sees China's territory handed over to a Russia pursuing the same identical programme in Mongolia as she did in Manchuria," states Mr. George Bronson Rea, an American writer who is an authority on Far Eastern questions.[1]

"Again she sees China in the role of a secret ally of Russia, making no protest to the other Powers against the

[1] *Far Eastern Review*, Shanghai.

incorporation of Mongolia into the Soviet system or exerting herself to regain her sovereignty and discharge her obligations to Japan. Instead, she sees Chinese border troops standing guard over Mongolia, preventing Japanese or other observers from investigating what is transpiring beyond the screen. She sees Communism firmly entrenched in the Yangtse Valley, defying the military power of the recognised government, and menacing the very existence of the state."

And again:

"The only check on Russia is the Kellogg Pact, and Secretary Stimson's experience in reminding Moscow of her obligations under this instrument is not calculated to inspire confidence in her intentions when she is again ready to take positive action. Yet with these facts staring the world in the face, the League and the United States expect Japan to lay her case before them and receive their permission to defend herself against a menace their own short-sighted diplomacy has permitted to gather strength. To Japan, the menace is real and imminent. Unless she acts to defend herself, while there is yet time, she will face disaster. In another year it will be too late."

It is permissible, in the face of this sort of statement, and even stronger statements issued from Japanese sources, to question whether this latest "Red" bogey exists at all outside the imagination of those who express such sentiments. Certainly, Russian territorial aims in the Far East, limited during the past ten years to infiltration into Mongolia, cannot be said by any unbiased observer to be so imminent a danger to Japanese interests that it could only be met by the presence of an army of 65,000 men in Manchuria!

The actual aims of Soviet diplomacy in Asia—so far as these can be disentangled from rumour—will be the subject of a later chapter. Here we are concerned only with Manchuria, and Japan's recent actions in that region. And

it may be said at once that there is nothing in Russia's attitude to recent events there to justify any grievance on the part of Japan, unless it be the Soviet's patience when faced with interference in the working of the Chinese Eastern railway, and Japanese encroachments in the vicinity of that line. On the contrary, Russia's record during recent years, both in her relations with China and, more recently, with Japan, will bear comparison with the record of any other Powers with interests in the same region.

Assuming that the fear of Communism is held in reserve as a useful reinforcement to a Japanese demand for the application of a "Monroe Doctrine" to Asia, or perhaps offensive action in the Vladivostok region which would, if successful, cut Russia off from the Pacific, and convert the northern sea into an all-Japanese lake, the "red herring" of Bolshevism sedulously introduced as an explanation of Japanese aggression becomes at least understandable.

Twenty-eight years ago Viscount Kentaro Kaneto discussed the possibility of a "Monroe Doctrine" for Asia with President Theodore Roosevelt, a conversation which, according to the veteran Japanese statesman, "made such an ineffaceable impression upon my mind as can never be forgotten as long as I live."[1]

"The future policy of Japan towards Asiatic countries should be similar to that of the United States towards their neighbours on the American continent," President Roosevelt is declared, in this statement, to have said. "A 'Japanese Monroe Doctrine' in Asia will remove the temptation to European encroachment, and Japan will be recognised as the leader of the Asiatic nations and her power will form the shield behind which they can reorganise their national system."

"When I asked the President how far he thought this

[1] The purport of this interview with President Roosevelt was published for the first time in *Contemporary Japan*, September 1932.

'Japanese Monroe Doctrine' should extend, he replied that the sphere of the 'Japanese Monroe Doctrine' should include the whole continent of Asia—east of the Suez Canal as far as west of Kamchatka—except India, Annam, the Philippines, Hong Kong, and other European or American colonies."

As if to underline the connection between the publication of President Theodore Roosevelt's views at this juncture, and the Japanese actions in Manchuria, Viscount Kaneto adds: "No occasion arose to prompt the publication of the opinion which President Roosevelt had uttered in our talk at Sagamore Hill. And now that Japan's policy in Manchuria is much criticised by foreign Powers, it is a matter of the greatest regret to me and to Japan that he died unexpectedly without having uttered in public his views on a Japanese Monroe Doctrine for Asia."

Among present-day exponents of this "Monroe Doctrine" for Asia, with Japan in the role of protector and leader of all Asiatic races, is General Araki, the Minister for War in the National Government at Tokio.

Writing in *Kaikosha* (Army Club Magazine) General Araki stated: "The countries of Eastern Asia are objects of oppression by white people. This is an undeniable fact, and Japan should no longer let the impertinence go unpunished. It is the duty of the people of Japan to oppose every action by the Powers which is not in accord with the spirit of the Empire, which is the embodiment of righteousness and justice. Japan cannot close her eyes to any disturbances in any part of Eastern Asia, for unrest cannot be permitted to exist side by side with the fundamental spirit of the Empire. It is expected of every Japanese that he be ready to take his part, spiritually and materially, in restoring peace, even through resort to arms. If we were really determined to such an extent it is needless to say that peace could be secured without drawing the sword. Determination does much."

It was to further that aim of converting the Pacific into a Japanese "zone of influence," in addition to economic reasons, that the Japanese army struck in Manchuria in September 1931, and neither world criticism, League resolutions, nor the studied moderation and statesmanship of the Report of the League Commissioners will cause Tokio to relax her grip upon that region.

It must be admitted that, in adopting the Western doctrine of "what we have, we hold," Japanese public opinion believes profoundly that Japan has justice on her side. Rather than suffer criticism for acting in "self-defence" of her solemn treaty rights in Manchuria, Japan decided long ago that she would leave the League.

"Our future prosperity depends on whether we can extend the sphere of our activities beyond our own narrow territory. . . ." declared Mr. Kaku Mori.[1] "We are responsible for the maintenance of peace in Manchuria because the first line of our national defence is there. As to commercial development, our policy is the Open Door and equal opportunity. If any opposition to this policy arises we shall meet it with force, no matter whence it comes—from Russia, America or England.

"The League of Nations is not necessary to Japan. We have no occasion to poke our nose into Europe's affairs. The League was not constructed to preserve the peace of Asia but of Europe. We must concentrate our efforts on the stabilisation of Asia. To Asia we belong, and there we can develop our national mission."

The soldiers and nationalist politicians at Tokio who have advocated Japanese withdrawal from Geneva, point out that the League has been consistently against Japan "simply because she resorted to force," and that the smaller Powers, of which there are nine on the Council, are constantly suspicious of force when applied, whatever the reason, by a Great Power. Every time Japan uses force,

[1] Quoted in *The Times*, October 4, 1932.



JAPAN STRIKES AGAIN

Troops of the Mikado in the Chinese city of Shanhaikwan after the defenders had been driven out by combined sea and air bombardment.

say these critics of the League, for whatever reasons, she will be condemned by the small Powers.

Further, the League is said to have devoted all its attention to the prevention of war, and ignored the importance of attempting to remove the fundamental causes of disputes. " Of these causes the most important is surely the present unequal distribution of national wealth and territory," says Mr. Tadao Yamakawa (*Contemporary Japan*, September 1932).

Thus by virtue of her membership of the League, Japan is pledged to the maintenance of a *status quo* which is wholly unfavourable to her. Here Japan's urgent need of territory for her overflowing population, already noted, is seen to be influencing her foreign policy to the extent of the contemplation of a break with the West, and a reversal of the policy of co-operation pursued for seventy years, in order to recover her freedom of action. And freedom of action for Japan means inevitably freedom to undertake an expansionist policy which would involve the violent adjustment of present conditions in the Far East.

It is precisely this fact—that the Manchurian crisis is the opening of a new chapter and not the closing of an old one—which makes the solution of that crisis the acid test for world diplomacy in the Pacific.

If the tactics which have enabled Japan to annex Manchuria in all but name, are permitted to succeed, then further aggression and further demands may safely be expected to follow. The arguments which justify the continued occupation of territory in Manchuria hundreds of miles from the nearest Japanese factory or railway, may equally be used to justify a further encroachment into Chinese territory to the south, through Jehol in the direction of Peking. The specious fears of Soviet aggression in the Far East would justify penetration into the Far Eastern Republic. It is not difficult to imagine the lure which a war in defence of capitalism against Communism

might exert at Tokio in the event of any measure of moral isolation being directed against Japan.

It is this aspect of the Japanese urge for expansion which constitutes a challenge to the world, and renders unwise the policy, adopted by Great Britain and some other nations, of refraining from criticism which might harm the always delicate susceptibilities of Tokio. By refraining from outspoken criticism at an early stage in the crisis, the Western nations are in danger of giving Japan a sense of false security. If one *fait accompli* is accepted with no worse results than much harmless talk, then may not other "forward moves" be attempted without disaster? Japan's pressing needs provide all the stimulus needed, until the challenge becomes too serious to be allowed to go by default any longer. And by then Japanese prestige is hopelessly involved and the only arbitration which Tokio could accept would be the arbitration of force. During all the interminable discussions in 1932, the only Great Power which, by its pronouncements, would appear to have realised the danger into which the world was being permitted to drift, was the United States, a nation which, despite President Theodore Roosevelt's reputed views, is unlikely to allow the balance of power in the Pacific to be upset in Japan's favour without protest, or to abandon a distracted China to the mercies of an aggressive Imperialism across the Yellow Sea.

Behind the conquest of Manchuria lies a determined policy on the part of the Japanese to strengthen their grip upon the Chinese mainland. Most of the arguments used to justify the expulsion of a Chinese government from Manchuria—dangers to law and order, unrest, banditry, protection of Japanese interests, and the rest—could equally be invoked to cover penetration in China Proper. There exists a grave danger that when once the Japanese militarists, now the predominant power in that nation,

can be certain, or even reasonably certain, that the League may be flouted with impunity, they will be tempted to press their conquests further by new military operations.

The end of 1932 found the League of Nations still searching for a formula which would enable some portions at least of the Lytton Report to be implemented without Japan's withdrawal from that body, while in Manchuria itself Japan was planning the further augmentation of her armed forces upon the Asiatic mainland.

A statement issued by the Japanese War Office (December 28, 1932) explained that large additional funds for the Army included in the Budget would be used to bring the Japanese Army abreast of other armies in equipment and technical training " and to enable Japan to discharge her obligations under the Manchukuo Protocol."

" The number of divisions now in Manchuria will remain as at present, but further drafts will be made from the home cadres until nearly the full peace strength is serving in Manchuria. Additional armoured cars, aviation and machine-gun units will be sent there.

" At home special training in mechanical arms will be given to 100,000 officers and men annually selected from all the regiments. Large numbers of cadets will be enrolled, and provision made for training voluntary short-time officers in order to increase the number of subalterns. The higher non-commissioned officers will be strengthened and their training improved. The aviation and tank corps will be increased, and instruction for defence against gas attacks will be given systematically.

" The expansion of the Manchurian forces to 65,000 within the next two years is understood to be contemplated."[1]

At the same time it was reported that Tokio was about to issue a " warning " to Marshal Chang Hsueh-liang, the former Chinese governor of Manchuria, who was said to

[1] *The Times*, December 29, 1932.

be concentrating a Chinese army in Jehol, the Chinese province to the south of the occupied territory, that " the Japanese army might be compelled to resort to ' positive ' measures unless troop movements on the Manchurian borders ceased. According to report, Marshal Chang was to be warned further of the danger of military operations in Jehol spreading to North China if they once started, and to be made responsible for the consequences if Japan was ' compelled to act.' "

This warning was in keeping with Japan's rumoured intention to include the province of Jehol in the new state of Manchukuo, thereby wresting another province from China and taking another step forward on the Asiatic mainland.

Jehol, which thus came into the news, is well placed strategically to be a thorn in the side of the Japanese in Manchuria. During the past year it has been claimed as " joining " both sides. The large opium revenue derived from the province, no less than the dangers of hostile Chinese armies using it as a base for a renewed attack upon Manchuria, made it highly desirable to the Japanese authorities that it should be " freed " from Chinese troops, and the question of its allegiance settled once and for all.

Apparently Tokio still hoped, however, that the " loyalty " of Jehol to the Manchukuo state could be secured without an extension of military activity, or perhaps winter conditions made an immediate campaign difficult.

Whatever the reason, when the Japanese army struck against Marshal Chang Hsueh-liang, its blow was directed, not at Jehol, but at the Chinese city of Shanhaikwan, which is situated at the point where the Great Wall of China meets the Yellow Sea, and is one of the gateways through which Chinese reinforcements must pass in order to reach Jehol.

According to Tokio, Chinese troops opened fire on

Japanese forces when the latter were occupying the south gate of Shanhaikwan with the full permission of the Chinese Public Safety Bureau and Chief of Staff. Whatever the truth concerning the inevitable " incident " which touched off the fuse, there can be no doubt about what followed.

On Sunday, January 1, 1933, a general assault upon the city was begun by the Japanese forces. For three days the battle raged, while machine-guns, tanks, and aerial bombs took their toll of the Chinese defenders of this purely Chinese city. During the repeated assaults, aerial incendiary bombs started fast-spreading fires. Historic Chinese buildings, temples, and the ancient drum tower were destroyed, as well as a section of the most perfect city walls to be found in the whole of China. Japanese warships rained shells upon the city, and the countryside around. And on January 3, when the Japanese army completed the occupation of the city, it was little more than a smoking ruin, filled with the charred bodies of the slain.

The Japanese army followed up this success by occupying the Chiumenkuo Pass, the main artery of communication between Peking and Jehol.

While the Japanese authorities insisted that the capture of Shanhaikwan was an " isolated local incident," having no bearing upon their policy in Manchuria, both in Tokio and Nanking it was assumed that the Japanese would sooner or later occupy the province of Jehol. Indeed, a War Office statement issued at Tokio on January 9, 1933, pointed to this as the next step in Japan's plans in unmistakable terms.

Explaining the condition of Jehol as an integral part of Manchukuo, this statement declared that " accordingly, those who disturb peace in that province may be considered recalcitrant elements against Manchukuo, and those who invade the province from without are invaders."

"It is not difficult to divine the motives for this drive," stated Mr. T. V. Soong, acting president of the Chinese Executive Council. "Jehol, the gateway to North China and Mongolia, has long been coveted by Japanese militarists, but as an attack on that mountainous province during midwinter presents difficult problems it is hoped that the pressure upon Tientsin and Peking through Shanhaikwan may result in its surrender without any serious fighting."

Meanwhile, both sides used the winter respite to prepare for the coming clash which was regarded on all sides as inevitable in the spring. On January 19, 1933, the Manchukuo government announced that General Chang Ching-hui, the War Minister, had been ordered to lead the Manchukuo armies against the anti-Manchukuo forces in Jehol, while reports reached the outside world of a steady increase in the concentration of Chinese troops behind the narrow front along the Tashih Ho, a small river outside Shanhaikwan, to which the Chinese defenders of that city had retired after the battle of January 3. Shanhaikwan was occupied by the Japanese Kwantung army, while Japanese warships remained anchored opposite the city.

Chinese troops, defeated in Manchuria, were concentrating in Eastern Jehol, where the total anti-Japanese forces were said to number 150,000, while the completion of Japanese campaigns in Northern Manchuria released large forces for co-operation with the Manchukuo army in any action taken against the anti-Manchukuo troops in Jehol.

Thus the two sides awaited the coming of spring—the Chinese confident that with superior numbers and strong fortified positions they will be able to defeat this latest Japanese challenge; the Japanese remaining silent concerning where the blow will fall, and the plan of campaign likely to be adopted. If the Japanese succeed in clearing Jehol of Chinese, and attaching it securely to Manchuria, the event will mark the completion of the conquest of all

China north of the Great Wall and greatly strengthen their position there. If the Chinese repulse them, even temporarily (for it is impossible to imagine the present Chinese forces warding off the blow permanently when Japan's new prestige in that region is at stake), then the success will stiffen Chinese resistance to Japan " all along the line," and constitute a tocsin call to action against the " enemy " throughout China.

As was the case in former fighting in Manchuria, however, graver issues than the fate of one Chinese province are linked up with the extension of conflict into the neighbourhood of the Great Wall. From Jehol to Peking is less than one hundred miles. It is not difficult, in the event of a hard-fought campaign between Chinese and Japanese troops, to visualise " incidents " which might serve to justify a Japanese advance into North China, the extent and international repercussions of which cannot be estimated.

These fears were clearly reflected in the decision regarding the dispute reached, after many patient attempts to discover a basis for conciliation acceptable to China and Japan, by the League of Nations.

During the opening weeks of 1933 it became clear that League opinion, as represented by the Committee of Nineteen to which the dispute had been referred, was veering against Japan, and in February 1933 the report and recommendations drawn up by the special Sub-Committee of Nine appointed for that purpose were published.

The report was in four parts as follows :

Part I completely endorsed the Report of the League Commission of Enquiry.

Part II recounted recent Japanese military actions in Northern China, and pointed out that Shanhaikwan, recently occupied by Japanese troops, is the gateway to the Chinese province of Hopei.

Part III outlined conclusions, and in effect condemned the setting up of the puppet State of Manchukuo.

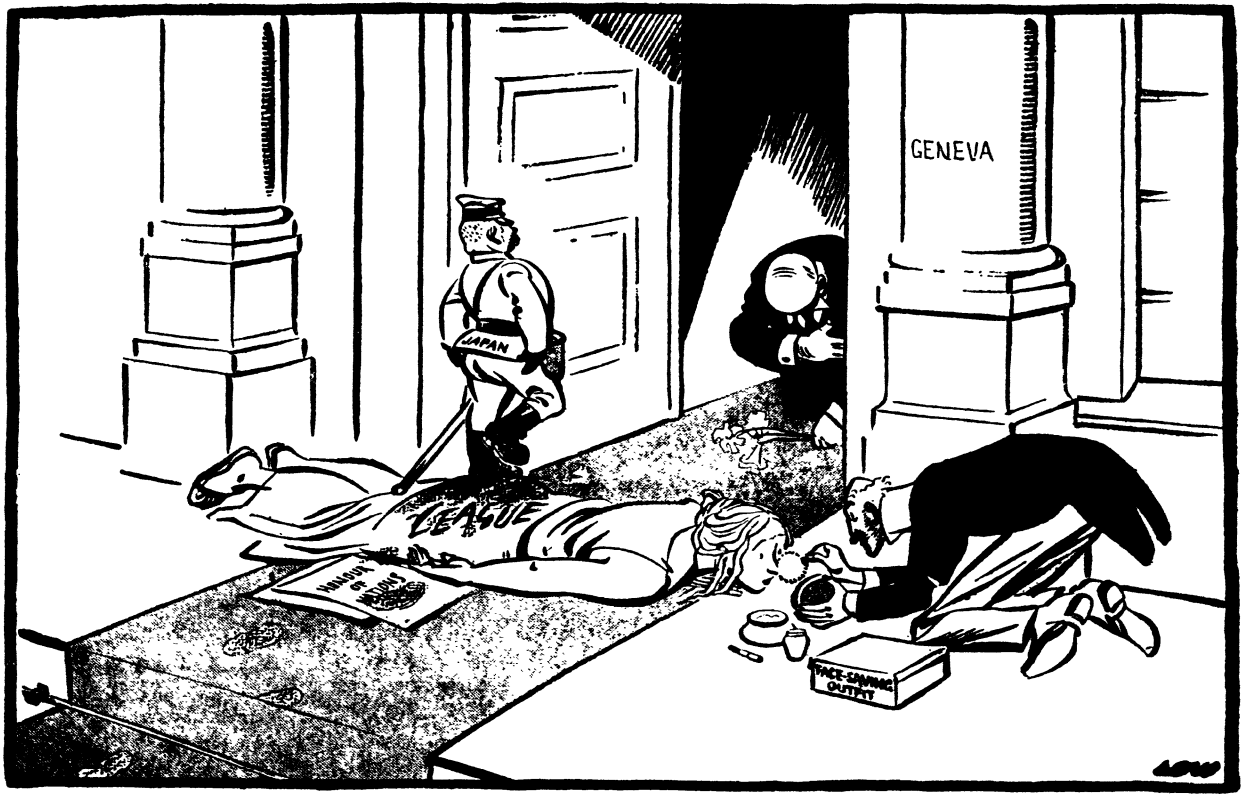
Part IV recommended direct negotiations between Japan and China for the settlement of the dispute.

In the event of direct negotiations being attempted, the League promised to assist in reaching a settlement through a committee of representatives of the Great Powers to be appointed for that purpose.

The nine members of the Assembly responsible for this final expression of League opinion were unanimous in reaching these conclusions, and, in effect, repudiated the Japanese view concerning events in Manchuria. Thus, after seventeen months, world opinion passed judgment in the most involved and perilous dispute of recent years. By accepting the recommendations of its own committee, the League has accomplished all that is possible short of instituting an economic blockade of Japan, a step which, in view of all the circumstances, is not likely to be taken.

Certainly any further encroachment by Japanese forces upon the independence and administrative integrity of China would be met, not by protests at Geneva, but by furious defence on the spot by such trained troops as Nanking has at its command. Such a " war," if it comes, will lack nothing in tenacity on either side. The defence of Chapei by the 19th Route Army in February 1932, showed that when faced with an invader on their own soil, Chinese troops can put up a stubborn and costly resistance, even to an army superior in training and equipment.

It is doubtful, however, in the absence of a competent military commander, or a political leader capable of continued aggression, whether any resistance by Chinese armies could affect the ultimate outcome of such a campaign. To-day China lies helpless before the forward thrust of Japan ; the salvation of that ancient Empire, if salvation there is to be, must rest in the protection afforded



THE DOORMAT

Original cartoon by Low. Reproduced by courtesy of the *Evening Standard*

by the Nine-Power Treaty, which guaranteed the territorial integrity of China, and in the protection afforded her by the Powers, notably the United States. Without that protection the process of disintegration within that geographical entity which we call "China," but which has since 1911 dissolved into a number of conflicting governments—Kuomintang, Cantonese, Communist, and the rest—would have proceeded further than it has. Should there be any modification in the attitude of the Powers, in deference to Japanese aims for the control of the Northern Pacific, then even the present fiction of "China—one and indivisible"—would soon be possible no longer. That nation would cease to exist as a single state capable of fulfilling any of its obligations, and would instead break up into a group of rival and uneasy zones dominated by Japan.

Such a development would mean the total dislocation of the world's trade with China, probably over a prolonged period, and the end of all hope of securing any return from foreign funds invested in that country. It would almost certainly make the position of the foreign communities at Shanghai impossible.

Politically, the intensification of unrest which would follow the break-up of even the present restricted authority of the Nanking Government would make the country a danger to the whole world. The break-up would provide Japan with a wonderful opportunity, created by attacks committed by her armies upon the expiring corpse of China, finally to consolidate that position on the Asiatic mainland which has been the guiding point of Japanese foreign policy since the days of Port Arthur. Can it be doubted, after the events of the last two years in Manchuria, that Japan would "seize the fleeting moment"?

These speculations presuppose that it is Japan's aim to tighten her grip upon China whenever opportunity offers,

and that the Powers would not oppose such a development by force of arms. Ever since the day when Tokio took advantage of the preoccupation of the Western Powers with the world conflict to present the famous Twenty-One Demands to the Chinese Republic, it has been obvious that the island-empire would lose no chance of extending her interests on the mainland of Asia.

The conquest of Manchuria, completed in direct defiance of a League resolution demanding the withdrawal of Japanese troops to within the railway zone, merely confirmed the extent to which Japan was prepared to "gamble" upon the disinclination of other Powers to oppose her will with anything more deadly than words. But that a further adventure in "bandit-hunting" which ended with the Japanese army in control of Peking could be carried out without international complications of the gravest nature is highly improbable. Even if Britain tolerated such a development, the United States almost certainly would not. And once Japan had been ordered to quit in language which even Tokio could not misunderstand, Japan's essential aim of the hegemony of the Northern Pacific, so long pursued under a cloud of words, would stand revealed beyond dispute. At that moment, and probably at that moment only, the Powers would realise the full implications of the invasion of Manchuria, and be forced either to recognise Japan's "special interests" in China, or face the arbitrament of war.

For this reason, any further weakening of the authority of the Chinese government, whether due to Japan's actions or the growth of disorder within that country, is to be viewed with disquiet. For should the process of disintegration continue, *either* the Powers acting in concert, and including Japan, or alternatively Japan alone, will be forced to intervene and restore some measure of law and order over a wide area. The financial, commercial and agricultural classes in China would probably welcome

such action on the part of the Powers, despite the agitation which would certainly arise of "foreign interference." But as such action would run directly contrary to the Japanese conception of a "Japanese Monroe Doctrine" for Asia, it is certain that any development which extended the interests of European nations and the United States in that region would evoke furious protests from Tokio. In thus protesting Japan would be perfectly logical, for any extension of foreign control in China, or even a restoration of settled conditions there, would close once more the gap in the "ring-fence" round the island-empire which the helplessness of China has created. And of which Japan is bent upon taking full advantage.

These are matters for the future, possibly the immediate future. Meanwhile the first fateful step has been taken in a policy the end of which no man can see. On March 9, 1932, the new state of Manchukuo came into being, complete with Japanese advisers and protected from the wrath of Nanking by Japanese bayonets, bombing squadrons, and tanks. In a Note sent by the Manchukuo Minister for Foreign Affairs on March 14, 1932, to seventeen countries, including Great Britain, the United States, and Soviet Russia, it was stated that the new government "proposes to perfect the institution of laws and establish security for the life of the people," and to conduct foreign affairs "according to principles of faith and confidence and in a spirit of harmony and friendship." Further, a promise was given to respect "international justice in accordance with international law," and to discharge faithfully all treaty obligations and "the acquired rights of the people of foreign countries within the limits of the State of Manchukuo."

That document revealed to the world that, in the absence of direct foreign intervention, the Japanese gamble had come off. A recalcitrant Chinese government, pursuing an anti-Japanese policy, had been expelled, and a

government of puppets, amenable to the dictates of Tokio—which could not, indeed, remain in office for five minutes in opposition to the wishes of its masters—installed in power. The " Open Door " to Manchuria was never as wide open as it was at that moment of triumph, and who will wonder if it were already filled with Japanese, and with a queue of the same nationality waiting to pass through to gather up the first-fruits of courage? For Manchuria is now, and has been from that moment in every respect that matters—a Japanese colony. And short of violent dispossession of the conquerors, a Japanese colony it will remain.

The dream of an all-Japanese Sea looms nearer. The dread of an interruption in vital supplies of food and raw materials in the event of war is on the way to being dissipated. If Japan, conscious of her own urgent needs and ambitions, has learnt laboriously to find her way about the tangled labyrinth of Western diplomacy, she has learnt the lesson well. And aggression as undisguised as any in history has reaped a rich reward.

CHAPTER XI

BRITAIN AND THE PACIFIC ERA

THE central pivot of British interests in the Pacific is the port of Singapore, gateway of the Far East and situated at the cross-roads between India and China, Australia and Japan. Whether viewed strategically, commercially, or from the point of view of the world's shipping, this Eastern port may fitly be described as the " lynch-pin " of British prestige and British strength in Eastern waters.

There is no more outstanding event in the whole history of the East than the rise of Singapore to fame. Eighty years ago the site of the present modern city and port was a jungle, infested with wild beasts; a malarial region inhabited by tribes whose main occupation was war, and their daily business the extermination of their fellow men. From that beginning Singapore has risen to the dignity of a modern city and the tenth port in the world. Most of the world's leading steamship lines include it in their ports of call, and in 1932 more than 20,000 steamers and sailing craft anchored in its harbour or lay alongside its extensive wharves, linking up the port with the trade of the five continents.

Realism and history can be studied with effect in this British outpost of the East. For history crops up out of the very soil on which it stands. Portuguese and Dutch voyagers came to this wonderland of the East, eager to claim it for their respective monarchs; they were followed by the more methodical Britisher, old in the art of colonisation and with a genius for developing lands beyond his own frontiers. Gifted, moreover, with the spirit of adventure, without which all such quests are vain.

It was this, and the lure of the unknown, that brought Sir Stamford Raffles to Malaya, and it was written in the book of fate that he should put Singapore on the map for all time.

Unlike India or Canada, the territory was not added to

the Empire by right of conquest; it came by way of purchase from the Sultan of Johore and passed into the keeping of the East India Company, until finally it was incorporated within the Empire as part of the heritage of the British race.

The voyager approaching the Singapore of to-day does so through groups of islands as beautiful as any the imagination can picture, marvels of brick-red crags where the sun strikes them, and green where the rocks are covered with verdure. Some are dome-shaped with clumps of palms and bushes, others are a dream of white cliffs, fringed by bays of wide silvery sand which afford the finest bathing one could wish.

The city of Singapore is situated on the largest of these islands, and measures twenty-six miles from end to end. It is the wonder city of the East, with buildings of striking beauty and design and complete with all the amenities of civilisation.

The majority of its inhabitants are Chinese, for celestial immigration has contributed much towards the almost magic transformation of this erstwhile wilderness. Indeed, the story of Chinese colonisation of the Straits Settlements, the Crown Colony of which the city is the capital, is probably unequalled in the long record of racial migrations. At the present time many of the leading traders, bankers, and planters, as well as numerous government servants, are Chinese.

The native Malay is a being of different calibre. He objects to the strenuous life; work bores him and he prefers the sunshine and quiet of the creeks, where he lives a simple idyllic life hampered by few needs.

The impact of West upon East has altered the whole aspect of life in Singapore. None the less, the contrast between East and West is in some ways reminiscent of modern Japan. The rickshawman toils along in the torrid heat of the Malayan summer, while the motor lorry passes

swiftly by. On one side of the street is a native theatre with its caste dressed in the costumes, and acting in a play, of a thousand years ago; on the other is an up-to-date cinema built by a London firm, with the latest improvements and tip-up seats, and featuring the most recent productions of Elstree and Hollywood.

In further contrast is the Chinese boat colony, inhabited by several thousands of Chinese, some of whom rarely set foot on land. Others of the Eastern population have sought to evade land taxes by building their homes on piles over the water, grey and brown houses covered by a sloping roof of matting, forming a kind of rustic Venice in the shallow waters around one of the busiest and most modern harbours in the world.

Such is the outpost which was selected, a few years ago, as the site of the proposed new British naval base needed for the maintenance of British naval power in Eastern waters; and to provide facilities for the repairs and renewals necessary to maintain the fighting efficiency of British warships in the Pacific. No better choice could have been made.

The announcement of the British plan to construct a naval base in the East, following quickly on the abrogation of the Anglo-Japanese alliance, was most unfavourably received in Tokio, where it was regarded more or less in the nature of a threat, and an indication that Britain desired to strengthen her defensive position in that area. The suspicions were unjustified, the desire and necessity to create a modern naval base, fully equipped for the service of warships, was the natural outcome of Britain's obligations and interests in the Pacific. Those interests extend not only to China shores, they go far beyond into the Pacific, and include vital trade and mail routes; hence the project to establish a base on which, not only the navy, but the mercantile marine could depend, was a primary obligation imposed by facts upon the British Government.

The Australian Commonwealth and New Zealand were no less emphatic on this point, and warmly applauded the decision of the motherland to take out this insurance policy as a safeguard, not only of Britain's own interests but also those of the Dominions, colonies and dependencies who stand with her.

Nevertheless, the decision to proceed with the construction of the Singapore base threatened to disturb the otherwise good relations between Britain and Japan. What would have been the outcome of this conflict of opinion is not at present known, for, while the work of construction was still in its early stages, financial and other considerations caused a postponement of the task, and in 1933 the Singapore base still remains a dream of the future.

Not so the importance of Singapore to the trade of peace. In 1932, as we have stated, more than 20,000 ships entered that port, with a total tonnage of forty-three millions, in addition to over 55,000 native craft.

Before passing through the shark-infested China Sea to Hong Kong, we will take a look at the Dutch East Indies which are destined to play a prominent part in the problems of the Pacific.

Historically these islands are closely connected with Australia; Sumatra, the spice land of the early voyagers, is the largest of them, twelve times greater than Holland itself. It is said that Marco Polo was the first European to visit Sumatra, and in 1509 came Houtman, the Dutch explorer, who anchored his caravels off the coast, and in these uncharted seas found a new world.

After encountering numerous perils, and taking the initial step in one of Holland's hard-fought colonial enterprises, Houtman died the death of a hero at the hands of the Achinese, wild tribesmen of the Sumatran jungles, who have in the twentieth century given the Dutch so much trouble to subdue.

Over three hundred years have passed since then, but his

name is still revered, for the Dutch East Indies owe much to these early pioneers. The voyagers from Holland laid the foundations of a wonderful colonial empire in the East, the import and benefit of which to a modern world they could not possibly have foreseen.

Even the twentieth century does not realise the extent and importance, both economically and politically, of these tropical islands. Within their limits are found all the products of which the tropics are capable, and although under the auspices of Dutch administration the resources of agricultural and economic science are brought into play, the greater part of this promising region still awaits exploration and development.

It is wonderful what the Dutch have done to bring the islands to their present state of productivity; as at home in Holland they are enterprising and methodical, and have produced elaborate and strict regulations for the cultivator concerning the manner in which he should deal with the soil so that its fertility may not be impaired by exhaustion. The department responsible for this supervision keeps a careful watch on the tiller of the soil, and prescribes a proper rotation for the crops, the latest irrigation methods and the regulation and disposal of the water, for no race can beat the Dutch at controlling the waters. At home they are constantly occupied in keeping the sea in its place, and the system of pumping out water by means of windmills is evidence of their ability in this direction.

The agricultural development of the East Indies, especially in the island of Java, is one of the finest experiments that has been tried anywhere, and the carefully administered system comes as a surprise to the traveller, even though he be accustomed to the methods of extensive cultivation adopted elsewhere.

Not only do the fields receive close attention, but each individual plant is carefully watched and attended to; the field or garden becomes a nursery in the most practical

sense. Whether it be the cane-sugar industry or the rubber plantations the same patience is displayed; the rows of labourers take each plant in turn, clean it thoroughly, remove the insects, and enable the plant to develop at its best.

Although the rubber industry has not yet been fully exploited and has been adversely affected by recent world conditions, its future development is assured under the constant direction of an experimental board with a station designed on the most modern lines.

Tobacco is grown on estates on which thrifty Chinese prosper, for in the Dutch East Indies, as elsewhere in the Far East, labourers from China wax comparatively rich where the natives can find only a bare livelihood. The proprietors of these estates import many Chinese workers in addition to the natives employed. They find the Chinese agriculturist a canny worker, who has reduced the task of conserving the resources of a plantation and getting the utmost out of it, to a fine art. There is no nation in the world to compare with them in that respect, and where the European and American would stand aghast at the prospect of inducing the soil to yield anything at all, the Chinese will set to work with the patience and tenacity characteristic of the race, and produce an agricultural wonderland.

Machinery is little known; it is not in favour with the Chinese labourer, for such things were not in vogue with his forefathers, and only the methods of the past and that which bears the stamp of age find favour in his eyes.

The Chinese are ready to profit by example, and could be as acutely imitative as the Japanese, but they lack the initiative and drive necessary to individual effort in following up a new idea. The force of habit is the all-pervading influence among them. They, above all others, belong to the land of old custom, where the natural instinct is to live and do as their ancestors lived and did before them. Authorities on Chinese character and psychology declare

that, although revolutions and upheavals have passed over the surface of China and governments and presidents have come and gone with kaleidoscopic rapidity, the social life of the people has been so little affected through all the centuries that, granted there has been growth, there has been no real change in the conditions under which the mass of the people have lived for the past three thousand years.

But this devotion to the past and the machinery of bygone days, in the shape of human effort, has been in no small measure responsible for the satisfactory results that the Dutch have obtained; indeed, nothing so highly developed as their system of cultivation is to be found elsewhere.

The greater part of the Dutch East Indies is still covered by primeval forest or long grass, and it is only along the coastal fringe that cultivation has been found possible pending the advent of machinery, which will displace forest and dense bushland and place them at the disposal of man. But it will be an immense task, particularly in the stretches of mangrove swamp lying at the back of the islands.

The mangrove is an outstanding feature of tropical plant life. Its branches trail down, and on gaining contact with the soil take root and within a comparatively short time form a series of dams which catch the silt coming down from the streams and rivers. This silt goes on accumulating and so the mangrove becomes the principal factor in building up alluvial areas along the coast and contributing still further to the agricultural yield.

In such ways does Nature aid the toiler in the fields; no more reliable agent could be found than this tree, which, capable of growing in salt water, does so much in the work of reclamation.

Not all of the inhabitants are agriculturally inclined; on the contrary, many of them are still warlike and civilisation is coming slowly.

Lying east of Sumatra is Java, in population and productivity the most important of the Dutch East Indies. Unfortunately it is highly volcanic and numbers amongst the active craters the largest of the world's chimneys, Krakatoa.

Java has been styled the Garden of the East, and it is curious to think that, although it lives within the shadow of an ever-present menace, it is this volcanic rock which, from contact with the warm moist climate, provides the fertile soil and the mainstay of its productive capacity, whilst it also gives the island its picturesque name.

The Queen of the East Indies has its alluvial lowlands devoted to varying forms of tropical agriculture; these are the areas that mostly support the thirty-eight millions of Java's population. With approximately the same area, it contains five times as many people as the country to which it belongs.

The alluvial plains, however, are not the only regions that are put to good account. Beyond them lie the foothills where the volcanic deposits and formations have provided the constituents for profitable exploitation. But here again modern methods have made little impression on the Javanese; he clings to age-old methods like his Chinese compeer, and opposition to change is to be anticipated quite as much from him as from the Celestial worker.

These people have lived a definite kind of life since the dawn of history, and of all peoples in the world the Javanese are, in common with the Chinese, the least likely to adopt another mode of existence or procedure which is at variance with the traditions of the past.

What part do the Dutch possessions play in the general strategic position in the Pacific? Of what import is Singapore to the Dutch East Indies? No more vital question could be put, nor one to which the answer is more convincing and conclusive.

It is known that India is the key to British power in the East, and that to maintain it inviolable there are links in the chain of empire defence. Gibraltar gives us a certain predominance in the Mediterranean, modified by the advent of the submarine; Perim and Aden guard the eastern entrance to the Red Sea; Singapore is the supporting point on which we absolutely rely for the conservation of our manifold interests in the Far East and the Pacific. Should the balance of power in the Pacific demand recasting, the tenure of our position would be dependent on the adequacy of Singapore as a naval base at which to refit in case of necessity, and the main outpost of British interests and obligations in the Far East.

In the past all our disagreements with China have arisen over matters of trade and commerce, our lodgments in China have been dictated solely by trade considerations, and Hong Kong and Shanghai were built up as the clearing houses and principal emporiums of British trade in the Far East.

To protect the commercial and vested interests there, and carry weight in any dispute arising in that area, quite apart from the necessity of safeguarding Australasia, the retention of Singapore in an advanced state of development, capable of fulfilling every demand upon it, is clearly indicated.

The importance of this is increased by the possibility of independence being granted to the Philippine Islands. This would be tantamount to an American withdrawal from those islands. The Filipinos are admittedly incapable of self-government, and politically and morally on a level that does not admit of such a measure, the grant of which would lead to their sinking back into a state of almost semi-barbarism. The opportunity thus presented for taking advantage of political and moral disintegration would be one not to be neglected by the enterprising Japanese.

Were America to withdraw from the Philippines entirely

the political and strategic position thus created would be alarming, not only to the Dutch East Indies but to Britain. The path to Japanese occupation would be open, and whether they came by the islands as the result of peaceful or warlike methods, it would bring them within thirty miles of the nearest point of the Dutch East Indies.

That priceless heritage, the vast untold riches which the British Government failed to realise in 1816, when we restored Java to Holland, would be at the mercy of Japan. Small wonder, then, that the project for the construction of the Singapore base is all-important to Holland and that, without this powerful neighbour, their tenure of the Dutch East Indies would not be worth a day's purchase. Indeed, the fate of Holland in the East is bound up with that of Singapore. She would view the American withdrawal from the Philippines with the greatest alarm ; any grant of independence to the Filipinos would be equally disturbing, for the Javanese looks down upon the Filipino, and the grant of autonomy to him would at once lead to a similar demand on the part of the Javanese.

The maintenance of Holland's position in the East is dependent upon her friendship with Britain ; her navy is negligible, the army is of no account, and the retirement or weakening of Britain in that area, might well lead to the disappearance of Holland from the map of the Far East and the end of her existence as a colonial Power.

British and American interests, however, march side by side with those of Holland in the East. The world-wide value of oil and its dominating influence on strategic problems of the present day, together with other commercial and financial interests, dictates the grand lines of policy to be followed and clearly demonstrates the imperative necessity of safeguarding Dutch ownership of the Indies.

Further, the occupation of the Dutch East Indies by a Power hostile to Britain would threaten the safety of India, Malaya, and Australasia.

The question of the population and cognate problems in the Dutch East Indies and lands adjacent thereto should now be considered.

We are indebted to Mr. O. E. Baker of the United States Department of Agriculture for a masterly statement of the progress of population as affecting the Far East and the Dutch East Indies in particular. Prior to the nineteenth century, agricultural settlement in Japan and Eastern Asia had been confined by geographic conditions largely to original forest lands. The forests supplied fuel and building material, and the ever-running streams that are found in forest areas provided drink for man and beast.

Three great inventions account in large measure for the agricultural development of these grass and other lands, and the increase in population and wealth which has followed. First the advent of well-drilling appliances, the development of grain-harvesting and threshing machinery, and the coming of the locomotive and the railway.

Wells gave water to the trackless waste; grain-harvesting machinery enabled one man to do the work of five, releasing the other four for employment in urban industries. The railways brought wood and coal to the settlers and provided cheap and rapid transportation to market for their grain and other products.

The utilisation of these grass lands of the world for grain and wheat production, supplemented by the use of animal manures and mineral fertilisers on some of the forest soils, with improvement of farm animals, has provided for an increase of population in Europe during the last hundred and twenty-five years from two hundred millions to nearly five hundred millions.

Even Asia has shared in the increase, despite the fact that it has less arable grass land available. Owing to deficiency of power and consequent less ability to use modern agricultural machinery, it has not been able to utilise those grass lands to the best advantage.



CASUALTIES FROM THE WAR ZONE

Java under the benign rule of the Dutch has increased from 3 millions since the year when Holland assumed control of her East Indian conquests, to 38 millions to-day. In the first seventy years of the nineteenth century the Chinese probably gained over 100 million people, whilst the Japanese since admitting Western civilisation in 1854 have doubled in numbers.

The question of population and limitations of territory entering so vitally into the problem under discussion, and being a leading factor in the Pacific question, it is interesting to follow the trend of Mr. Baker's observations.

He considers that neither science nor invention, capitalism nor initiative, which appear to have been the great forces promoting this increase in population, and therefore the occupation of the available areas of the world for its support, can expand the arable area of land appreciably, nor raise the crop yields per acre beyond a certain point.

Undoubtedly the land, and the food it produces, sets the limit to the population. Only a small proportion of the earth's surface is arable. Bearing in mind that much of the arable land available throughout the world is relatively poor in quality, it appears that unless the acre yield of the crops is increased, the population of the globe cannot be more than doubled if it is to maintain the present standard of living with reference to agricultural products.

If crop yields could be doubled by the use of fertilisers and manures as they have been during the past century in the humid climate and industrially developed countries of north-western Europe, however, the population of the earth would be quadrupled, that is, approach 8000 million people. This is the limit set by Professor Penck of the Berlin University.

But as much of the potential crop land of the world has a semi-arid climate, where the limiting factor on production is water, and not soil fertility, this estimate seems too optimistic.

The limit upon the world's population, if it remains dependent upon agricultural production, must be placed probably not beyond three times the present figure.

If the world's population should double again in the next century, as it has in the past hundred years, this saturation point is only about one hundred and fifty years ahead of us.

Meanwhile, the advance of crop production on to poorer lands will mean in many countries, especially those lacking capital, a lowering of the standard of living.

In the Far East especially the rising tide of population all along the shores of settlement is beating against the barriers of adverse physical conditions. How is the world, and particularly the East, going to cope with this situation? How will Japan meet it, and what will be its effect upon the Oriental peoples who are so virile in productivity? Will the twentieth century witness the agricultural exploitation of the tropics, like that of the grass lands of the temperate zones during the nineteenth?

Or will the greatly increased use of fertilisers, the prevention of plant disease, and more careful cultivation permit the profitable utilisation for crops of the poorer lands now covered with pasture or forest? Will they cause such an increase in the yield per acre of the lands already under cultivation, and in the efficiency of stock-raising, as will meet the needs of the more numerous population for another century?

These are questions that no one can answer without fuller knowledge, but they are vital to the issues we have under consideration, and clearly indicate that the time is at hand when the leaders of the nations should take stock of the agricultural lands they hold, of the trend of population, and reconsider their policies of land settlement, less most of the world sink into that condition of poverty, misery and resignation which writers more than a hundred years ago predicated must eventually be faced.

Ethnically all the lands lying south of Japan and China are brown men's lands, but politically they are under the control of the white race, and it remains to be seen what will be their ultimate fate in view of the great and anxious problems of race, colour, and increasing pressure, resulting from lack of space and inability to support increasing numbers, which must be faced.

Touching this ethnical question of yellow or white men we must briefly survey the mandated islands of the Pacific.

In December 1920 the League of Nations confirmed the mandates for the various territories in the Pacific which had been granted to certain nations, considered by reason of their resources, experience, or geographical position, as best able to undertake this responsibility. These mandates are an important aspect of the Pacific problem; through them it was decreed that the former German colonies should be allotted as follows: the German Samoan Islands to New Zealand, Nauru to the British Empire. The other German Pacific possessions to the south of the equator, including German New Guinea, came under the control of Australia, and the German islands north of the equator were handed over to Japan. These latter comprise the Caroline, Marshall, and Marianne Islands, except Guam which belongs to the United States.

The main principle of the mandates system is national administration and responsibility by the mandatory Powers, but in conformity to certain special international obligations. How has the application of the system worked out as far as those in the Pacific are concerned?

They have been in force for a comparatively short time, but the results have so far been satisfactory; moreover, the fact that the Government of a mandated territory has to report to an international body, and that its administration must conform to standards laid down internationally which constitute an international obligation, exerts an important influence upon public opinion in those countries themselves.

This can only be greeted with satisfaction, for it becomes more and more evident that the essence of the mandates system is publicity and the support of an active and well-informed public opinion.

By virtue of its provisions the system precludes any one nation acquiring an advantage in position over another, nor does the immigration question raise any difficulty or give rise to suspicion that Asiatics may predominate where it was intended, in pre-war days, that the European should be paramount.

The main problem in the Pacific area will, however, remain the millions of acres of virgin land which still lie unused in the East. The difficulty lies not in the acreage, but in the adaption of those acres to present-day needs, and the reclamation of the vast regions undoubtedly lying fallow. The unequal density of peoples, races, and tribes round the Pacific area is another aspect that must not be overlooked. Densely peopled lands like Java exist side by side with almost empty lands, such as northern Australia.

These empty lands call for consideration and are the crux of the problem calling for forbearance and understanding, as far as we may expect it from the Oriental races, who demand " room to breathe."

The Japanese have long cast covetous eyes on the empty North of Australia from which, under the " white Australia " policy, they are excluded.

Having traversed that area we are able to discuss the matter with the first-hand knowledge essential to the due appraisement of a delicate and, to the future, pressing problem.

The dominant feature in the physical and climatic status of Australia is that it is the most isolated of the world's continents, possessing within its limits immense areas of unexploited land, and land that appeals with singular force to the Oriental. The climate is suitable to him, it has the tropical flavour on which the brown races can live and

thrive, and its contiguity to Japan makes it desirable from the angle of placing population.

This land mass, so isolated and so distant from Europe and America, has developed slowly, largely owing to the problems of distance. Even now only the fringe of the coastline is occupied to any extent; the interior remains largely a sealed book. In the north, millions of acres lie open to the settler, yet experts ask what population can and should the country hold?

Geographers are by no means at one on the point. Some contend that climate will always severely limit the number of white people, but the argument does not affect the Oriental races, with whom we are mainly concerned.

For Australia the question is the most vital now confronting her. The climax will not be reached in our time, but we shall see the course it is taking and present dangers will be intensified with the passing years.

In an able dissertation on this subject issued under the authority of the Western Australian Government, we gain an impression of the Australia of the future. What manner of country will it be in fifty years' time?

Learned geographers have furnished estimates of the resources of the Australian states and their relative capacity to carry large populations. The most conservative of the authorities who have examined the question describe as suitable for close population six hundred and ten thousand square miles out of nearly three million square miles, and of this section almost one-fourth is in Western Australia.

This state is also allotted nearly one-fifth of the good pastoral country, and almost one-third of the fair to poor section. On the other hand, it contains two-thirds of the unused territory. Another eminent authority seems to regard fifty millions as the limit of population that Australia can comfortably carry; other scientists place the total as high as two hundred millions.

There is, however, little disagreement as to the relative

resources of the states, and assuming that the opinions are approximately reliable, it seems not improbable that Western Australia will eventually hold one-sixth, or even one-fifth, of the total population of the Commonwealth.

The most moderate estimation of the number that can be maintained in the temperate portion of Australia, without congestion and in a high standard of comfort, is twenty millions. Scientific discovery and mechanical invention may very considerably add to this total. The filling up of that section of the country which lies within the temperate zone will push settlement further north, and lead to the establishment of a considerable population above the tropic of Capricorn. On the basis of relative natural resources Western Australia alone should have between three and four million people when the total population of Australia is twenty millions. When will that figure be reached? According to the statistician, long before Western Australia alone has completed its second century. Factors, known and unknown, defy anything like an accurate forecast. Increasing congestion in the older countries, intensified by the longer "expectation of life" and qualified by the falling birth rate; the ceasing of America to absorb large numbers of immigrants, the extraordinary development in methods of communication, operating to the advantage of large countries with sparse population; all these are elements in the problem.

In the present condition of world affairs no country can have a greater asset than habitable territory available for occupation. Australia has this in abundance, and particularly Western Australia. National security and material well-being alike suggest the need for reasonable expedition in filling up empty spaces; future happiness and true greatness demand a wise discrimination in the process.

The experience of other countries points a warning finger. There is nowhere else in the world a huge island continent occupied exclusively by a homogeneous people

of one colour, speaking one tongue, and animated by like ideals. The preservation of these may well be the prime consideration in the plans for extension.

Australia is a white man's country, but can it remain white? The conquest of Nature presents no great difficulties, and conditions are favourable to the Australian people. But they are a minority, numbering not more than six millions at present. And future growth at the same rate as the yellow races seems out of the question. On the other hand, it is estimated that Northern Australia alone could, if present restrictions were waived, accommodate two hundred million Asiatics.

Professor Griffith Taylor, of the University of Sydney, in a statement on the resources of Australia, indicates quite clearly the difficulties that will arise in the future. The Commonwealth with its area of three million square miles, almost the same as that of the United States, has only 24 per cent where the climate is suitable for agriculture, of which one-quarter is too rugged for close settlement. It is difficult to see the extent to which this can be utilised in the future, but the actual amount under agriculture to-day is almost negligible, reaching only twenty-six thousand square miles.

The northern lands are not suited to agriculture by white people; at any rate, not until the empty areas of fair temperate land are settled. Cotton and millet are among the crops that are possibilities, if cheap methods of agriculture can be found. In this the Japanese and Chinese immigrant would show to advantage.

These northern lands are visited in the four hottest months by rainstorms associated with the monsoons. Climatic conditions being suitable to the Oriental temperament and constitution, and the land lying close at hand, it is not to be wondered at that it acts as a magnet.

The Australian Commonwealth by its immigration laws sets out its attitude towards the influx of Japanese and

other Orientals. By a form of Gentleman's Agreement concluded between the two countries in 1904, bona fide merchants, students, and visitors from Japan are permitted to enter the Commonwealth for a stay of twelve months without liability to a dictation test which had aroused resentment among the Japanese. Under the terms of this provision they were required to write out fifty words in any European language at the dictation of the immigration officer.

The Japanese Government contended that insistence on knowledge of a European language discriminated against Japanese nationals, and so the Act was amended by the substitution of " any prescribed language."

What are the objections to Japanese immigration? The Australians rightly contend that immigration should be of races which would ultimately become permanent citizens. They must be of a suitable type and fitted to fulfil the conditions of citizenship. This is a sentiment common to both Australia and Canada; opposition is not confined to the Japanese alone, all would-be settlers of Asiastic race are discouraged, but it must be admitted that strong objections have been raised against the Japanese.

The Chinese are regarded as desirable colonists, but not so the Japanese, who are not so law-abiding, so docile, nor, it is maintained, are they so honest as the Chinese. This dislike is based on both economic and social grounds. Holding a different moral standard from that of Western nations, and altogether failing to assimilate, the Japanese are regarded as an undesirable element in a new country which regards itself a champion of the white race.

Further, whatever may be the good points of the Japanese, and they are many, it cannot be denied that they do bring with them into a new land a code of morals that is diametrically opposed to Western ideas. Then again, the Australian argues that a Japanese can support himself and live in comparative ease and comfort (judged,

of course, from the Oriental standpoint) on about 15 per cent of his wages. The balance of the money he either remits to the homeland or accumulates until the day when he can enter into business on his own account, thus creating serious competition, possibly even displacing the native Australian by undercutting and obtaining control of industries.

Australia, in proportion to its area, is scantily populated, but it does not desire the immigration of the Asiatic. Can that policy be maintained in the future?

Steps will have to be taken to amend the immigration restrictions on the British race and embark upon a wide and liberal policy of encouragement to settlers. Only by following out such a policy can Australia hope to stem the Asiatic tide should events cause it to flow southward. She must people her own lands with those of her own kith and kin, and so be ready to challenge the issue.

Australasia, Singapore, and the China trade represent Britain's three vital national interests in the Pacific. A serious threat to either would inevitably affect our whole position in that region and raise issues of concern to the whole Empire.

On the other hand, Britain harbours no "Imperialist" aims; her policy marches step by step with that of the United States in seeking to maintain the *status quo* and equal opportunity for all in peaceful trade. To none is the success of that policy of greater importance than to Australia and New Zealand—not to mention India, whose commercial interests could not fail to suffer from any upheaval in the East.

National sentiment and self-interest alike have imposed upon British governments, of whatever political colour, the necessity for assuming the role, in matters affecting the Pacific, of "the Great Conservator." That role Britain will not lightly abandon.

CHAPTER XII

THE AMERICAN CHALLENGE

THE possibility of a conflict between Japan and the United States—a clash by which the mastery of the Pacific would be settled for generations—has been predicted so often that many are inclined to consider an Americo-Japanese war inevitable sooner or later. Because an event may happen, however, it does not follow that it *will*. Let us, therefore, examine American policy and interests, both political and territorial, in the Pacific region, and endeavour to decide whether they are of such a nature that the present expansionist policy of Japan will necessarily bring her into conflict with the United States.

What are the issues making for friction between the two nations? The total exclusion of Japanese immigrants, enforced by a clause inserted in the United States Immigration Law of 1924, was a blow to Japanese pride, since it seemed to stigmatise a proud and patriotic people as an inferior race. Further, the bolting and barring of the gateway to America by this new law implied, at least in the opinion of Japan, that the latter had not respected the "Gentleman's Agreement" entered into by President Theodore Roosevelt and the Japanese Government in 1908. Deep down in the consciousness of the Japanese people, America's veto still rankles, and at times of tension acerbates feelings between the two nations.

American policy in the Pacific is based on the doctrine of the "Open Door" in China, first enunciated by John Hay in 1899, upon the friendly and disinterested friendship of the American people for the troubled peoples of that land, and on America's determination that the sanctity of international agreements must be upheld, particularly the Nine-Power Treaty, to which Japan is a party. Under the terms of this treaty the administrative and territorial integrity of China was guaranteed by all the contracting Powers. Upon the preservation of these treaty obligations

rests the whole policy initiated at the Washington Conference, a policy which left Japan dominion over the seas in her part of the world, and necessitated the abandonment of American plans for the construction of naval bases in the Pacific.

Let us examine these fundamental principles of American Pacific policy in the light of recent events, and as revealed by the pronouncements of the United States Government since the Far Eastern crisis first engaged the attention of world statesmen.

Mr. Stimson, U.S. Secretary of State, in a letter to Senator Borah, Chairman of the Foreign Relations Committee of the U.S. Senate, reaffirmed the policy of the " Open Door " in terms which may become historic.

" You have asked my opinion whether, as has been sometimes recently suggested, present conditions in China have in any way indicated that the so-called Nine-Power Treaty has become inapplicable or ineffective, or rightly in need of modification, and, if so, what I consider should be the policy of this government," stated Mr. Stimson.

" This Treaty, as you of course know, forms the legal basis upon which now rests the ' open door ' policy towards China. That policy enunciated by John Hay in 1899 brought to an end the struggle among various Powers for so-called spheres of interest in China which was threatening the dismemberment of that empire. To accomplish this Mr. Hay invoked two principles: (1) equality of commercial opportunity among all nations in dealing with China, and (2) as necessary to that equality the preservation of China's territorial and administrative integrity."

For twenty years after 1899 the open door policy rested upon informal commitments made between the various Powers, but " in the winter of 1921 to 1922, at a conference participated in by all of the principal Powers which had interests in the Pacific, the policy was crystallised into the

so-called Nine-Power Treaty, which gave definition and precision to the principles upon which the policy rested."

In the first article of that treaty the contracting Powers, including Japan, agreed:

(One) to respect the sovereignty, the independence and the territorial and administrative integrity of China.

(Two) to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.

(Three) to use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

(Four) to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states and from countenancing action inimical to the security of such states.

"This Treaty," continued Mr. Stimson, "thus represents a carefully developed and matured international policy intended on the one hand to assure to all of the contracting parties their rights and interests in and with regard to China, and on the other hand to assure to the people of China the fullest opportunity to develop without molestation their sovereignty and independence."

With reference to the crisis then existing in the Far East, which was the occasion of this reaffirmation of United States policy, Mr. Stimson declared:

"The recent events which have taken place in China, especially the hostilities which, having begun in Manchuria, have latterly extended to Shanghai, far from indicating the advisability of any modification of the treaties we have been discussing (the Nine-Power Treaty and the Briand-Kellogg Pact) have tended to bring home the vital importance of the faithful observance of the covenants

therein to all of the nations interested in the Far East. It is not necessary in that connection to inquire into the causes of the controversy or attempt to apportion the blame between the two nations which are unhappily involved, for, regardless of cause or responsibility, it is clear beyond peradventure that a situation has developed which cannot under any circumstances be reconciled with the obligations of the covenants of these two treaties, and that if the treaties had been faithfully observed such a situation could not have arisen. The signatories of the Nine-Power Treaty and of the Briand-Kellogg Pact who are not parties to that conflict are not likely to see any reason for modifying the terms of these treaties. To them the real value of the faithful performance of the treaties has been brought sharply home by the perils and losses to which their nationals have been subjected in Shanghai.

"That is the view of this government. We see no reason for abandoning the enlightened principles which are embodied in these treaties. We believe that this situation would have been avoided had these covenants been faithfully observed, and no evidence has come to us to indicate that a due compliance with them would have interfered with the adequate protection of the legitimate rights in China of the signatories of those treaties and their nationals.

"On January 7 last, upon the instruction of the President, this government formally notified Japan and China that it would not recognise any situation, treaty, or agreement entered into by those governments in violation of the covenants of these treaties which affected the rights of our government or its citizens in China. If a similar decision should be reached and a similar position taken by the other governments of the world a caveat will be placed upon such action which we believe will effectively bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation and which, as has been shown by the history of the past, will eventually

lead to the restoration to China of rights and titles of which she may have been deprived."

Following the lead thus given by the United States on March 11, 1932, the Assembly of the League of Nations adopted a resolution, one passage of which declared that it was " incumbent upon the Members of the League not to recognise any situation or arrangement which might be brought about by means contrary to the Covenant of the League."

Thus the United States, faced with the occupation of China's Three Eastern Provinces by the Japanese army, and the threatened extension of Japanese aggression on the mainland of Asia, sought to meet that challenge with a new policy—one of " non-recognition "—for the enforcement of treaty rights, in which the League of Nations concurred.

Unless words have no meaning, the definite statement made by the United States government that the measures taken to enforce that policy will " effectually bar the legality " of any steps taken in defiance of treaty obligations implies determination to enforce the supremacy of law in international affairs. It does not follow that war is to be the chosen instrument by which the law is to be made supreme; indeed, the importance of the United States' warning to Japan and China on January 7, 1932, lay in the fact that a new weapon, that of non-recognition, was clearly indicated as being held in reserve for any nation seeking territorial expansion in defiance of its treaty obligations.

It is not surprising, in view of the expansionist policy openly advocated by the Japanese army, and powerful sections of public opinion in that country, that Japan saw in that warning, and in Mr. Stimson's letter, a determination on the part of the United States to maintain the *status quo* in Asia, in opposition to the aims of successive Japanese governments, and antagonism to Japan's case

in regard to Manchurian events. More significant, suggestions heard in Japan that she should "recover her freedom of action" in the Far East by repudiating the treaties which thus hampered her plans date from that time.

In thus assessing the importance of American pronouncements, the Japanese were right. For it would be impossible to reconcile American policy, as outlined by Mr. Stimson, with that of Japan in Manchuria. They are clearly antagonistic, and likely to lead to further and deeper enmity between the two nations.

What may be considered the Japanese reply to Mr. Stimson, was contained in a significant speech delivered in the Japanese Diet on August 25, 1932, by Count Uchida, the Japanese Foreign Minister.

Count Uchida declared that the recognition of Manchukuo was essential to the permanent solution of the Manchurian problem, and that the Japanese people would never under any guise consent to investing China with authority in that country.

The Foreign Minister denied that Japan's recognition of the new state of Manchukuo was a violation of the Nine-Power Treaty, since that agreement did not forbid the Chinese in any part of the country from setting up an independent state.

Referring to the Kellogg-Briand Pact, Count Uchida made the following statement: "The Pact does not prohibit a signatory Power from taking, at its own discretion, whatever steps it finds imperative in order to remove immediate menaces to its territory and its rights and interests of whatever kind, and obviously the exercise of the right of self-defence may extend beyond the territory of the Power which exercises the right."

He further added that, "It is admitted by those conversant with actual conditions in China that no remedy can be effected by having recourse either to the League

of Nations or to any other organ of what may be termed the machinery of peace."

Whether this conflict of policies, however, would in any event lead to actual war between the two countries is a matter of doubt. The United States, unless supported in her attitude by the League Powers, might well consider that in refusing to recognise the new Japanese-promoted "government" of Manchukuo, she has done all that could reasonably be expected of a single nation, unless and until the extension of Japan's grip upon Northern China raises a new and aggravated situation.

Meanwhile, however, the United States stands revealed as the firm friend of China and the convinced and open opponent of Japanese aggression in that country. While American interest in, and friendship for, China is based upon a desire to secure a share of the valuable Chinese market for her manufacturers, it would be manifestly untrue to ascribe her support of the "open door" policy to interested motives alone. The American record as a Pacific Power has been tempered with altruism, and the Chinese have always occupied a special place in American regard.

The United States may enact an Exclusion Bill against Chinese emigrants, but they have always responded with unbounded generosity to every appeal on behalf of the Chinese people. Scores of millions of dollars have been sent across the Pacific for the relief of famine and pestilence, to endow educational establishments in China, and to finance missionary and medical work in that land. As the years passed, there has arisen between the two peoples a friendship based upon that most lasting of all bonds—the ties of service.

The fact that money thus poured into China is not tainted by political aims has greatly strengthened pro-American sentiment in China, and caused the people of the United States to regard that land as their especial care.



THE NAVAL MIGHT OF THE UNITED STATES

The U.S.S. *Tennessee* leading the American fleet in battle formation during manœuvres in the Pacific.

It is not surprising, therefore, that from the moment when the Japanese army struck in Manchuria, public opinion in the United States was hostile to Tokio, or that American sentiment in favour of China should even extend to the length of an attempted boycott of Japanese goods.

There is ground for the belief, widely held in Japan, that America's friendship for China has prevented that nation from understanding the needs and difficulties facing Japan. The Japanese have in the past been especially apprehensive of the political activities of American missionary endeavours in China. Japanese suspicions are indeed confirmed by the missionaries themselves, many of whom declare quite frankly that the revolutionary movement in China, and the rise of Chinese nationalism, were encouraged and fostered by missionaries with political leanings towards a democratic China. Those missionaries have often in the past expressed sympathy for the Chinese and Koreans against the Japanese, a fact which is not forgotten in Tokio.

On the other hand, since the acquisition of the Philippines in 1898, political antagonism to Japan has been growing in the United States, until there is now danger of the American administration becoming unduly anti-Japanese, in sentiment if not in practice. This tendency, visible during past years, has not suffered any diminution during recent months. Nor has Tokio, or pronouncements emanating therefrom, assisted to dispel American suspicions.

That American policy, based upon the Note to Japan and China of January 7, 1932, and Mr. Stimson's letter to Senator Borah, will suffer no change in Japan's favour by the handing over of the reins of office to the victorious Democrats in March 1933, was clearly shown in a statement issued by Mr. Roosevelt, the President-Elect, on January 17, 1933. The text of this statement was as follows :

"Any statement relating to any particular foreign situation must, of course, come from the Secretary of State of the United States.

"I am, however, wholly willing to make it clear that American foreign policy must uphold the sanctity of international treaties.

"That is a corner-stone on which all relations between nations must rest."

This unwavering support of a "Hands off China" policy has greatly increased mutual suspicion and led to "incidents" of a nature which, if continued, would clearly jeopardise prospects of an improvement in the relations between the two countries.

"There is tension in the relations of Japan with this country to-day which recalls the bitterness which ensued upon the refusal of the Senate some years ago to renew the 'Gentleman's Agreement' which once determined the nature and extent of Japanese immigration into the United States," stated the Washington correspondent of *The Times* (January 18, 1933), "and it becomes more acute with each reaffirmation of American policy in regard to China and each act of violence committed upon American nationals and property in the Far East."

These "incidents" have been more numerous than is generally realised, and in the same message *The Times* places upon record some of the more serious.

"The latest was an attack yesterday upon the Singer Sewing Machine Company's branch in Yokohama, but there have also been a raid on the Osaka branch of the National City Bank; an assault by Japanese soldiers on the American Consul at Mukden; occupation by the Japanese army of a missionary institution at Shanhaikwan a few weeks ago; and several minor incidents which have not been reported in the press. In the diplomatic settlement of these matters the Japanese Foreign Office has admittedly been ready enough to make amends, but there

are unpleasant reports here of the obduracy of the Tokio War Department and of the freedom with which that division of the Japanese Government transmits to the press material of a nature to inflame anti-American feeling."

We wonder what use a nation less genuinely anxious for a peaceful solution of Far Eastern problems, or more genuinely anxious to discover excuses for armed action, would make of such incidents?

If the preservation of the "open door" and the territorial and administrative integrity of China are the cornerstone of American policy in the Pacific, the United States has other and substantial interests in that area.

The sinking of the *Maine* in Havana Harbour in February 1898, decided the destiny of America in that centre of world affairs. Events arising out of the disaster played a part in making her an Asiatic Power, and dictated that her statesmen should no longer remain indifferent to events there. The construction of the Panama Canal, and its opening in 1914, was the symbol of the new responsibilities which America has assumed since she occupied the Philippines. Linking the Atlantic and Pacific oceans, the strategic importance of this great engineering feat lay in the fact that it enabled the entire naval strength of the United States to be concentrated in the Pacific at short notice should the situation at any time demand it.

It is the Hawaiian Islands, however, which form the strongest outpost of the United States in the Pacific Ocean. These islands are situated at the "cross-roads" of that ocean highway, forming a half-way house and port of call on the long sea voyage from the American Continent to the Far East and Australasia.

Apart from the strategic value of the Hawaiian Islands, their origin is a romantic one, for they were formed by the upheaval of a line of volcanoes direct from the sea, many of them rising to a height of over seven miles from the level of the ocean bed.

Although the Pacific is dotted with innumerable islands, the Hawaiian is the most isolated inhabited land group, lying at a distance of 2400 miles from California, the nearest point on the American continent. To-day they stand as an example of American ingenuity, courage, and initiative, which has, here and elsewhere, conferred such benefits upon the world in general.

The acquisition of the group by the United States has proved as beneficial to the Hawaiian race as it has to the paramount Power. For the latter, Hawaii is of the greatest value as the first line of naval and military defence in the Pacific; advantages which the United States has attained without the expenditure of a single doller.

The Hawaiian islanders not only pay for their own government and the running of the entire machinery of local rule, but in addition contribute to the treasury at Washington to reimburse the national votes for expenditure on Hawaiian defence.

The thirty odd years that have passed since the Stars and Stripes were first hoisted over these islands have seen them develop into a powerful group, the value and potentialities of which are a tribute to American statesmanship.

We would refer the reader to the map of the Pacific at the end of this volume, from which can at once be gathered the importance of the Hawaiian Islands as the geographical key to the Pacific. They command every trade route of consequence to China and the Far East, as well as those leading to America. They are the sentinels guarding American interests and limiting, as long as the American flag flies over them, the encroachments of Japan in the Pacific area.

Further, their strategic value to the United States has been immeasurably increased by the advance of aviation and the advent of the aeroplane and airship as weapons of warfare. This is the new arm that has annihilated

distance and removed the geographical boundaries and physical obstacles that formerly acted as the halting line for armies.

Regarding the foremost peacetime question confronting the American authorities in Hawaii—the question of population—something has already been said.

The results of a recent census showed that the population of the islands is composed of 11 per cent American, British, and German, 16 per cent Chinese and Filipino, and 42 per cent Japanese—the balance being made up of Latin and Portuguese, who exert no influence on the political situation. The Hawaiian race is gradually becoming extinct, and within a generation will probably be known only as a mixture of other races.

Leading industries in the islands are sugar growing and the cultivation of the pineapple, which latter is reduced to a fine art. Long strips of specially prepared paper are laid over the ground which has been suitably treated; through punctures in the paper slips of pineapple are inserted. The paper by conserving the moisture and subduing the weeds increases the growth of the plant, as well as the yield of fruit, apart from minimising the labour of cultivation.

The increase in the acreage placed under cultivation, and the rapid growth of these plantations, have acted as a magnet to the inhabitants of the Philippine Islands far to the west, with the result that large numbers have emigrated to Hawaii, drawn thither by the larger wages offered and the amenities of life in this lotus-eating land.

For largely the same reasons the islands have proved an attraction to the Japanese; the climate most nearly approaches their own, and they find there the comforts to which they are accustomed in the homeland, the environment in general agreeing with the Japanese temperament.

It is perhaps not generally known that the Japanese have long since wisely decided against intermarriage with

other races, the children of the union of a Japanese with a Hawaiian, or any other race, being in their opinion inferior both in stamina and intelligence to either of the parents.

The problem of how a Japanese is to find a wife in Hawaii has, therefore, been solved in a novel and romantic way. He communicates with his relatives in Japan, who proceed to find the wife to meet his case. Photographs are exchanged, and the choice having been made they are married in Japan by proxy, after which the bride leaves for the southern seas.

Arrived in Hawaii a second marriage is gone through, and the couple start out on the journey through life. This is the most popular plan for those in search of brides in Hawaii, and no less than eleven thousand married couples owe their union to this romantic system of the picture-bride method.

In a survey of the Hawaiian Islands we must consider the matter of education as set forth in a report by the United States Commissioner of Education, for it has some trenchant statements regarding the Japanese.

"With respect to birth and death rates, the Japanese is the most favoured race of the islands, having among all races made the best adjustment to those conditions affecting race multiplication. The Japanese are ambitious to become tenants, to own land, to set up a business, to enter a profession, to rise above the category of unskilled labour, and as they individually achieve their ambition they are, like the Portuguese, participating more and more in the affairs of the islands, socially, educationally, and politically.

"Furthermore, they are all at work; there are few triflers and idlers among them. Their *per capita* savings-bank deposits rank third among those of the island races, being exceeded by the Americans and Portuguese only. All of which can be explained adequately on the basis of the racial qualities inherent in the Japanese, of patience, persistence, thrift, initiative, endurance, ambition, group

solidarity coupled with acumen and astuteness. This group will soon have a majority of the voters of the islands.

" The fourteenth amendment to the Constitution of the United States declares that every child born within the jurisdiction of the United States is a citizen thereof. By 1940 about 47 per cent of the electorate may be expected to be composed of voters of this race.

" Whether or not the Japanese desire to achieve political control, without doubt within a few years they will be in a position to do so if they choose."

Serious complications have arisen in the racial problem owing to the number of foreign-language schools in which large numbers of the younger generation of Japanese have been given an exclusively Japanese education.

Taking into account the diverse elements of Oriental origin composing the population of the islands it must be apparent to the sagacious observer that with a racial situation so complicated and uncertain every care should be taken, and proper safeguards entered into, that will ensure the islands remaining permanently in American hands. Certain it is that both by tradition and their importance from the standpoint of American safety in the Pacific, they should rest for all time in the strong hands from which they have derived so much advantage.

Next to the Hawaiian Islands, the most important United States possession in the Pacific is the Philippines. These islands, formerly in the possession of Spain, and situated 634 miles from Hong Kong and 1800 miles from Yokohama, form what may be termed America's advanced base in that ocean. They consist of 7000 islands in all, of which, however, only 402 are over one square mile in area. The main islands, eleven in number, are over 1000 square miles each in size.

It is one of the accidents of history that the future of these islands, and their fourteen million inhabitants, should have come up for decision by the United States

Senate at a moment when the balance of power in the Pacific was in the melting pot and tension there was higher than it had been for a generation.

On January 17, 1933, the Senate, by a vote of 66 to 26, overrode President Hoover's veto and passed into law the Philippine Independence Bill. This Bill provides for the calling within two years of a Philippine Convention which shall draft a Constitution for submission to the inhabitants of the archipelago, on the understanding that acceptance of the Constitution shall, *ipso facto*, confer upon them complete independence.

The Bill further provides for a ten-year period thereafter of an intermediate government under an American High Commissioner of limited powers. At the expiration of that time the United States is to retain the right to maintain military and naval stations, and agrees to make an effort to secure the international neutralisation of the islands.

The passing of this Bill, in the face of presidential opposition, and warnings issued by the Secretary of State that Filipino independence must disturb the political equilibrium throughout the area of the Western Pacific, was the culmination of a long-continued agitation conducted in the United States for the independence of the islands.

President Hoover, in vetoing the Bill, clearly indicated that in his opinion the freeing of the islands from American rule would lay them open to invasion. Although no country was mentioned, the American President obviously had Japan in mind when issuing that warning.

From Tokio came confirmation that these fears were not illusory; Japanese officials were quoted as saying that in the event of trouble arising between the Chinese and Filipinos on the islands Japan might be obliged to intervene to protect the peace and stability of the Far East.



JAPAN PREPARES FOR GAS ATTACKS

Schoolgirls undergoing first-aid anti-gas drill at Tokio

Naval opinion in the United States was, at the time the Bill was under consideration, even more pessimistic, many experts fearing that nothing could save the Philippines from being occupied by Japan within the next few years on the pretext of " protecting Japanese citizens " or some similar excuse—thus greatly increasing the danger of war between the two nations.

On the other hand, adequately to afford protection to these islands by the American fleet would require a naval base within easy steaming reach of Hawaii, for the Philippines do not readily lend themselves to defence, and are situated at too great a distance from the American mainland to be protected without a naval base in the Pacific.

Herein lies the importance of the island of Guam, another American possession situated 1500 miles from Manila, the chief port of the Philippine group.

Guam is admirably adapted for the purpose of an American naval base, being within effective cruising radius of all the American islands. It would doubtless have been so converted before to-day but for the astuteness of the Japanese in securing a veto on the development of naval bases in the Pacific as the price of her signature to the Nine-Power Treaty. Hence American anger at the elastic construction which Tokio has since placed upon the provisions of that document and the hint, emanating more than once during recent months from Washington, that Japanese action in Manchuria, by violating the provisions of the treaty, have released other nations from the limitations accepted at the Washington Naval Conference in 1922.

True, the fortifications dominating Manila Bay are amongst the strongest in the world, and maintained in a manner befitting their importance, with ample supplies of men, munitions, and provisions. But the distance from the American continent would be the dominating factor in success or failure of any plan of defence, while the

recapture of this scattered group from the Japanese, once it was lost, would be a long and costly procedure.

So far as adequate protection from a potential enemy coming from the Pacific is concerned, the mainspring of America's defence in that region would be the Hawaiian Islands. Despite the fact that the treaty emanating from the Washington Conference on the limitation of armaments has been ratified both by the United States and Japan, it by no means follows that peace between the two nations is for all time assured. Indeed, as we have shown, the issues making for friction are to-day in the very forefront of Pacific relations.

Prior to the Washington Conference, the mutual distrust reached an acute stage. Each nation felt that the time was fast approaching when the issues at stake must be definitely decided, and each prepared for the struggle which many regarded as inevitable. The Washington Conference delayed, but it has not definitely settled, the issues which were then making for conflict; and Japanese aims in China might easily bring them to a head.

Realising the position, the American naval and military authorities, with their usual thoroughness, have made a close and careful study of the problem confronting them in the Pacific, and especially of the vital rôle which the Hawaiian Islands will play if the day of reckoning comes. They have analysed with consummate skill and accuracy the factors of time and space, of distance, of seasons and climatic conditions, affecting the course such a war would take. They have taken steps to see that the Panama Canal, a vital American link in such a fight, is adequately prepared against eventualities.

The Pacific end of the canal begins in a dredged channel in Panama Bay, six miles north of Taboga, and leads up to the port of Balboa. This has been fortified both by land and sea, with an efficient anti-aircraft gun service against aerial attack. It has also been equipped as a petrol

storage depot for the use of ships and aircraft, with a combined capacity of more than sixty million gallons.

At Balbao the Americans maintain a first-class port, including one of the largest dry docks in the world, machine shops, foundries, supply and transport stores, and every requisite for the upkeep and maintenance in first rate fighting trim of the naval, military and air force operating in the Pacific, and along the western coast of the Continent. Although ships do not as a general rule navigate the canal at night, the waterway is well lighted, every mile being marked by lighthouses or lighted buoys.

The United States has the main units of its naval power concentrated in the Pacific Ocean, an indication perhaps that the American naval authorities regard that ocean as the storm centre of the future.

As regards the American land forces, a statement secured from an authoritative source gives the strength of the garrison in the Panama zone, in March 1933, as 9,500 men. A further 14,000 troops are stationed in the Hawaiian Islands, and 11,000 in the Philippines. Included in the latter figure, however, were a force of 6,500 Philippine scouts or gendarmerie raised by the Americans for local service on the lines of the Burma Military Police. 750 American troops at Tientsin, in China, completed the permanent American land garrisons in the Pacific and Far East.

In the Hawaiian Islands there exists accommodation for a total garrison of 30,000 men, but even this number would be almost negligible in the light of war requirements.

The strategic position of the two nations as regards naval action is interesting and inconclusive. With the Americans in possession of a fully equipped naval and air base at Pearl Harbour, adjacent to Honolulu, it would be impracticable for the Japanese navy to make a descent upon the western coasts of the United States; nor could they seriously jeopardise the safety of the Panama Canal.

What would be the position of the Japanese fleet if it embarked upon such a venture? It would leave its harbours in Japan and set out on the long voyage across the Pacific, either to raid the western coast of America or to attempt to close the Panama Canal. To effect either of these objects it must travel a distance of more than six thousand miles from its nearest base, its fighting strength and mobility seriously reduced by the long voyage, and liable in the end to find itself at the mercy of a stronger fleet lying between it and the home ports.

On the other hand, the American-owned islands do not offer a suitable base for any contemplated attack by America on Japan; the distance of 3,500 miles from Honolulu to Yokohama is so formidable, even in these days of fast moving ships, that even a navy possessing a "five to three" ratio in its favour could not hold its own against a less numerous antagonist operating close to home bases.

The Hawaiian Islands fulfil an admirable rôle as the strategic outpost of America in the Pacific, but remote from the shores both of China and Japan they do not constitute any grave menace to the Japanese fleet, or indeed one that need be taken seriously into account.

It is this factor of distance, and the difficulty of getting to grips, that lend an air of unreality to predictions of possible conflict between the United States and Japan. It would seem that invasion or real encroachment of either nation upon the territory of the other may be ruled out as impracticable, however long such a conflict lasted. Apart from the loss of Pacific trade, prestige, and her island possessions, the United States is immune from attack, while America would have to concentrate greater naval strength in the Pacific than is now at her command before being able unaided to blockade the Japanese coast and secure the surrender of that nation.

In view of the presence of a very real divergence of policy between these two nations, however, let us analyse

the course which such a war, if it came, would be likely to take.

It may be assumed that the Japanese plan of operations allows, in the first instance, for the acquisition, step by step, of American possessions in Far Eastern waters. The first of these would be Guam, an island annexed by the United States in 1898, after the close of the war with Spain.

Presupposing the capture of Guam by the Japanese fleet, the conquest of the Philippines would not present any insuperable difficulties, since they are weakly held.

It would also be feasible to capture the Hawaiian Islands, for the Americans, having no aggressive intentions in the Pacific, do not maintain any large garrison there. In delivering such a blow at the United States, the invaders would be helped by the fact that the population of these islands, as already stated, is in the main Japanese. Under the American immigration laws a further influx of Japanese subjects has been prohibited, and as an additional safeguard the Arms Registration Ordinance prohibits the possession of firearms without a licence granted by the American authorities. Despite these precautions, however, there remains a potential danger from the overwhelming Japanese element in the population and the internal weakness, in the event of war, which may be rightly anticipated from that fact.

So long as the American forces retain the Hawaiian Islands, they would form the pivot on which naval and air action must turn in a war. Pearl Harbour is one of the world's finest naval bases, designed by nature for the purpose to which it has now been put, and lending itself to fortification against attempts to capture it.

With an area of ten square miles and an average depth of over sixty feet, it is approached by a difficult and winding channel, rendering surprise attack almost an impossibility. Moreover, it is so well sheltered that warships lying at anchor within its confines are invisible from the open sea.

These advantages have, however, been partly discounted in recent years by the new element which has transformed warfare—the aeroplane, knowing no limit of land or sea and launching its attack irrespective of local conditions and protection. The mere fact that Pearl Harbour is so well sheltered, so secure from anything but the indirect gunfire of a fleet outside, makes it the more vulnerable to attack from the airman and bomb-thrower. A target so closely set, and so accessible, would be an admirable one for the bombing plane; before a concerted and powerful aerial onslaught by trained pilots there would be slight hope of any warship within the harbour gaining the open sea.

Having swept the Stars and Stripes out of the Pacific as a first move, the next confronting the Japanese fleet would be a far more formidable and dangerous one, involving a voyage into the comparatively unknown. Every knot covered towards the American continent would mean so much further from home, with the ever-increasing menace to safety of ships and men, and the growing doubt of regaining the shelter of their home bases.

On the other hand, the Japanese could settle down in their newly-acquired territories and await the American counter-attack to recover lost ground, an attempt which would certainly be made, prompted from motives of prestige, if from nothing else.

In the " Pacific Trafalgar " which would surely follow, the advantages lie with the Americans, who, relieved of anxiety as to their Atlantic and Pacific seaboards, could concentrate an overwhelming force for a trial of strength.

Submarine warfare would play a prominent part in the operations, and America is singularly well placed in regard to this branch of naval activity. The Japanese submarine fleet now (1933) numbers sixty, compared with an American total of eighty-two, which makes her, numerically, the strongest submarine power in the world.

The American submarines have wide cruising range, are the last word in fighting efficiency, and favourably placed as regards bases in the Pacific.

There can be little doubt that such a war would be largely fought in the air. Both nations recognise this, and the Americans have devoted much time, patience, and money to perfecting this arm of their forces. They have at the same time not allowed the defence of their Pacific possessions to go by default. Much has already been accomplished in capitalising the natural strength of Honolulu and its harbour nearby. An immense dry dock, accommodating the largest warship, has been constructed, and other measures taken to ensure permanent possession of this strategic point in the Pacific. It would be impracticable to fortify all the Hawaiian Islands; such a course would involve colossal expenditure, quite unwarranted by the needs of the situation, apart from the fact that a hostile fleet could not find in them a base of any value from which to operate.

Thus we come to a final summary of the rival chances in the event of a war between Japan and the United States, whether fought in defence of the territorial integrity of China, the sanctity of treaties, or as the long-predicted clash due to the expansionist policy to which Japan seems determined, come what may, to adhere.

During the opening weeks of such a conflict Japan would be better placed strategically than her opponent, being within easy striking distance of America's Pacific possessions. These Japan could take for the asking, so that in the first stage of the struggle honours would go to the Japanese.

The next stage would test Japan's strength to hold what she had gained before the immensely superior resources of her antagonist. The American Asiatic fleet might be caught away from its actual base at Manila, in the Philippines,

but the loss of those islands would be a stimulant for the Titan to arm anew.

If the Japanese fleet attempted to carry hostilities into American home waters and harass shipping off the western coast of the United States, or the Panama Canal, such an effort must be foredoomed to failure. The enemy would be fighting America on ground of its own choosing, and any success gained would be but transient. The ultimate issue of such a challenge could not for a moment be in doubt. All we know of the Japanese suggests that they are far too wise in their generation to hazard such a random shot into the unknown.

The third phase in the conflict would see the United States counter-blow delivered with crushing force, from sea and air, in the Pacific itself; on that day, apart from the material and human losses of the conflict, Japanese aims at the domination of the Pacific would be swept away for generations.

In the last phase, it is only too probable that the war would transcend, in physical and material losses, in horror, and in the ferocity with which it would be waged, anything previously known. It would be lost and won in the chemist's laboratory, in the machine and gun foundry; it would be a contest between scientific experts in the production of engines of destruction, rather than one between navies and peoples. Nevertheless, the destruction of the enemy capital, bases and fleets, whether on sea or in the air, would still be the decisive factor.

Such a war, terrible as it would be, might not necessarily be short, despite the power of the mechanical engines of destruction involved. Ultimate victory in this or any other war will still be determined by the qualities of the human factor; courage and initiative will still be essential to the efficient handling of the machinery, the gases, liquids, and sprays designed for the annihilation of man on a huge scale.

There are gases contained within the compass of a single shell which will kill every living thing within a radius of a mile. Notwithstanding the efforts of the world's statesmen at Geneva, every nation is feverishly searching for new and more deadly compounds ; the Japanese, no less than other nations, are as keenly interested in chemical warfare as the most militant of European Powers.

The destruction of the Japanese harbours, ports, and fortresses by aerial attack would be the main aim of the American forces in that third phase. It should be remembered that the United States held the world's non-stop long distance flight record until February 8, 1932, when it was captured for Britain by Squadron Leader Gayford and Flight Lieutenant Nicholetts, who set up a new record of 5,340 miles in an R.A.F. Fairey-Napier monoplane. That country possesses in abundance the essentials for conducting a war in the air.

Until an adequate defence against aerial attack is discovered, air power will be the deciding factor in any future conflict, and no nation recognises this more than the United States. Aerial torpedoes and radio-controlled aeroplanes, guided by switches and controls thousands of miles away, will speed on their way carrying death and destruction on a scale undreamt of by those not versed in recent developments in air fighting. Destruction may likewise be borne on the wings of the wind by a form of wireless wave so that armies and peoples may be electrocuted by contact with the very air they breathe.

With such a prospect of torpedoes, poisoned air, and unseen rays, coupled with the power of fire, steel, and explosives, it seems inevitable that disease and pestilence, famine and drought should follow in the wake of the invading forces and complete the destruction of all mankind within the area of the war zone and far beyond it. The mind boggles at the genius which will be required for the conduct of such a campaign, and the temerity of the nation

which would wilfully set the forces of destruction in motion. Yet as long as governments pursue divergent and conflicting policies, and their peoples support them, the danger of precipitating a conflict will remain.

None would presume that Japan has not visualised the consequences of a war with the United States. She cannot wish to repeat the cardinal mistakes of Germany, to perpetrate the same errors by the same forces—and by the very influences that have created her naval and military strength.

Nor can it be supposed that the Japanese high command, which has shown such sagacity and skill in the fashioning of the armed forces of the island empire, would be responsible for entry into a war in which ultimate victory could not possibly be anticipated. Yet nations, as much as individuals, often meet with disaster and their best laid plans go adrift through the false application of those very qualities on which their success and prosperity have been founded.

Further, we cannot believe that the Japanese fail to comprehend the meaning of war with the United States. To begin with, no navy in the world has increased to the extent of that of America, although this overwhelming numerical superiority may not be justified on the score of security.

The most powerful navy the world has ever seen could not blockade the American coasts or stop the flow of her commerce. America is not, moreover, dependent for her security upon the sea. But she has commitments beyond the seas; she has interests to watch far out across the Pacific, interests that are growing almost daily, and the time may come when she will have to assert her authority in matters affecting not only herself but the world in general.

What would war with the United States mean for Japan? In framing a war policy it cannot be based solely

upon material factors. The population of the United States numbers 123 millions, with all the resources both natural and scientific that nature and ultra-modern skill and research have placed in their hands.

But the true value of an American effort is not to be assessed from the number of men it could put in the field, nor from the number of guns with which it could equip them ; nor could their two thousand odd aeroplanes, apart from the navy, be advanced as a convincing argument.

The extent of the United States, the resources in men, material, and money are so vast that those of the Japanese pale into comparative insignificance beside this Titan of the Eastern Pacific. Her territory is not menaced by powerful military states, an invasion is not within the field of practical politics, she is not dependent on overseas for food and raw materials, she has them in abundance within her own borders ; her people have an aptitude for war and a capacity for raising armies.

Not less immune is the United States from even a partial destruction of her trade. Her financial strength is second to none and she could, if necessary, command credits both powerful and lasting.

Even in regard to trade between the two nations, the figures show that it is in Japan's interest to maintain peace by any means in her power.

In 1931 Japan's trade with the United States amounted to 32 per cent of her total imports and exports. This was nearly three times greater than that with China, her second best customer. On the other hand, the United States' sales to, and purchases from, Japan during the same year represented only 8 per cent of her total foreign trade. Analysing these figures in detail, the vital nature of Japanese trade with the United States stands out in even sharper relief. Thus Japan purchased from America more than half the raw cotton needed for her textile industry, representing one-quarter of America's total exports of that

commodity. An open breach between the two nations would seriously derange Japan's leading industry.

Similarly, the United States is Japan's best customer for raw silk and silk products, upon which the mass of Japanese farmers rely for the means of maintaining even their present low standard of life. Hence the alarm occasioned in Tokio by the hint of an anti-Japanese boycott, such as was discussed in the United States during 1932.

In short, the importance of the American market to Japan, no less than the immense resources that the United States could place in the scales against her, would cripple the island-empire at the very outset of a conflict and so far outweigh any fleeting initial triumph of Japanese arms, or any resources that Japan could hope to mobilise, as to make the outcome of the war a foregone and definite conclusion. If the conflict were one of attrition it would be still more favourable to the United States.

There is no necessity to exaggerate the material and financial strength that the United States could bring to bear; the entire resources of the richest nation in the world would be fully applied to attain victory, whilst it is certain that the Americans would have the moral support of the rest of the continent and all Europe. In such a war, only gross mistakes and failures in leadership could rob the stronger nation of the ultimate victory—a victory which would inevitably mean the disappearance of Japan from the ranks of world Powers.

How rash it would be for any Japanese statesman or general, however overflowing with patriotism and pride in his country's destiny, however obsessed with her difficulties, to arouse this mighty and implacable antagonist!

Need such a conflict come? That final question can be answered unhesitatingly in the negative. If Japan will respect the obligations she has undertaken under solemn

treaties designed to remove for ever the threat of war in the Pacific, if she will cease to think of all Americans as men and women determined to use their wealth and power to thwart her reasonable demands, and if the world will cease to do both nations the disservice of assuming that the conflict is, sooner or later, inevitable, then there remains no reason why the Pacific should ever witness these two nations at grips.

One factor precludes definite assurance that relations will improve in the immediate future and the causes of discord be banished. It is the rising tide of nationalism in Japan itself. As long as Japan adheres to her present dreams of hegemony in the Pacific, so long must the United States keep anxious watch and ward over Far Eastern waters, and wonder what the morrow will bring forth.

CHAPTER XIII

THE RED STAR IN THE EAST

THE Russian Revolution of November 1917 ended the period of Czarist expansion in the Far East. Muravieff's dreams of a Russia dominant in the Northern Pacific disappeared in the chaos of an Empire, and with it the high-handed, arrogant imperialism of St. Petersburg vanished from the world's stage.

During the sixteen years which have passed since the Bolshevik *coup d'etat*, those who direct the destinies of the Union of Socialist Soviet Republics have had to devote their major energies to the colossal task of internal reconstruction. The new Russia has had little appetite or time for the contemplation of external expansion or adventurous diplomacy. And yet—in Moscow to-day the students at the University are still taught more concerning China and India than about any other nations, a reflection of the fact that the new Russia, even more than the old, is conscious of her wide Asiatic domain and of the possibilities of recruiting new allies and fresh strength for her gospel of Communism in that region.

The Revolution changed more than a régime or an economic policy. From being a European Power with interests in Asia, Russia became an Asiatic Power with interests in Europe. A fact which explains the paradox that in the years which followed 1917 the main thrust of Russian propaganda was eastward.

For Russia has never abandoned one jot of her interest in the Far East. The Czarist diplomats were replaced by the suaver Soviet officials. The methods changed. But the aims and interests of Russia remained. The foreign policy of that land is based upon geographical and economic factors; whether ruled by Czars, Constituent Assembly, or Soviets, Russia remains the same vast sea-hungry land, seeking warm-water outlets which will

overcome her paucity of trade harbours, and driven by her geographical position either to expand southward, or not expand at all. For Russia is the land which, in an era of trade expansion in the Pacific, has her back to the wall—and the wall consists of the frozen Arctic.

Shut away from close and easy contact with the world's markets, Russia has consistently made access to warm seas the pivot of her foreign policy. Hence her desire to secure Constantinople. Hence the longing glances which former Russian governments cast upon India—an India barred to her by British arms. Hence her interest in Persia, a country occupying a strategic position on Britain's sea-road to India. And hence her occupation of Manchuria and her policy of expansion in that region which culminated in the Russo-Japanese War.

That policy dated from the time of the Crimean War, when the suspension of her Black Sea trade emphasised to the Russian government the importance of securing an outlet to the sea in the Far East. As a first step Count Muravieff, then Governor-General of Eastern Siberia, despatched Russian troops down the River Amur into Chinese territory and established settlements on its banks. At that time (1857) China was waging war with Great Britain and France in Southern China, and, faced with this new complication in the North, yielded to the Russian demands, and signed the Treaty of Aigun. By this treaty the left bank of the Amur River was recognised as Russian territory, and the territory lying between the right bank of the Ussuri River and the sea was to be jointly held by both countries.

Further extensions of Russia's territory in that region followed, but the beginning of Russia's present interests in Manchuria occurred in 1895 when, at the conclusion of the Sino-Japanese War, Russia, Germany, and France intervened on behalf of China, and deprived Japan of the Liaotung Peninsula. A year later Russia obtained the

right to construct the Chinese Eastern Railway through Kirin and Heilingkiang Provinces, thus connecting Chita with Vladivostok by a nearly straight line, and also obtained mining rights in the two provinces.

Two years later Russia further secured a twenty-five years' lease of the Liaotung Peninsula, and the right of building a railway from a point on the Chinese Eastern Railway to Port Arthur. This line was completed in 1902, and gave Russia her first ice-free port in the Far East.

The realisation of her long-cherished dream of a " warm-water " port did not satisfy those who advised the Czar, and plans were prepared for the annexation of Manchuria and Korea, a step which would establish for all time the dominance of Russia in the Pacific. Opportunity came with the Boxer Rising of 1900. Under the pretext of preserving law and order, Russian troops occupied every important point in Manchuria. Nor, upon the end of the Boxer Rebellion, were those troops withdrawn.

Faced with a Russian occupation of Manchuria, and a Muscovite army on the Korean frontier, Japan sent repeated warnings to Russia, insisting upon the " territorial integrity " of Manchuria as a part of the Chinese Empire. These warnings, and a similar demand for Russian evacuation made by the United States, remaining unanswered, Japan eventually presented an ultimatum which led directly to the Russo-Japanese War, the defeat of the former Power, and the surrender to Japan of all rights and privileges possessed by Russia in South Manchuria.

The rights and privileges thus gained by Japan as the " spoils of war," and accepted by China in a treaty signed in December 1905, formed (with the addition of certain other rights secured in 1913 and 1915, referred to elsewhere) the basis of the Japanese position in Manchuria prior to September 1931.

Russia, defeated, had perforce to remain content with

the " zone of influence " left to her in Northern Manchuria. But nothing else was changed; the ultimate objective remained the same eastward, southward expansion which had been the basis of Russia's Asiatic policy for three generations.

During recent years a further factor has arisen to keep alive Moscow's perennial interest in the East. This is the growth of Communism, or pseudo-Communism (for many of those professing that creed in China to-day would as soon give allegiance to Nanking as Moscow) in China.

Following early failures to effect any *rapprochement* with the rival forces of Republican China, Soviet influence waned. But Moscow never wavered in its belief that in disunited China lay the most fertile field for the spread of Bolshevik ideas in Asia.

Events to-day provide some justification for Russia's policy of non-aggression in China. Communism in that land has grown to the point at which it is spoken of as a " menace." Large areas of middle-China are under the domination of native revolutionaries of the Moscow pattern. M. Molotov, Premier of the U.S.S.R., speaking on the revolutionary situation in China before the Communist Congress at Moscow in 1932, claimed that there is " a new revolutionary movement in China," and added : " Of 638 districts in China 241 are affected by the revolutionary movement. Since the end of 1928 19 Soviet regions have been established. Fourteen corps of ' Red ' fighting units and numerous partisan detachments can be reckoned on in China."

" The Red Armies of Kiangsu, Hupeh, Hunan and now Anhui are usually styled bandits, peasants in revolt, and other misleading names, but they are really armies possessing modern weapons, even aeroplanes," stated *The China Digest* (June 4, 1932). " Wherever they conquer they set up administrations according to the tenets of Moscow. On and on they sweep. Division after division sent out

by Nanking to put them down goes over to them. The Central Soviet in Kianfu (Kiangsi) is presided over by Mao Tse-tung, a graduate of a German university, a friend of Stalin, and in daily receipt of wireless instructions direct from the Eastern branch of the Third International. Chu-te's armies are marching steadily northward and look as though they will soon reach the Yangtse. . . . Suffering from the devastation of the floods, the famished peasants of the Yangtse Valley are bound to go Red. It is not hard to believe that this is Moscow's last trump card, and there is every likelihood of its being effective. Will Shanghai be swept away by the Red tide? "

Reliable estimates place the total number of troops in these Chinese Red armies in June 1932 at approximately 200,000. The Communist bases of operations are generally established in mountainous or wooded districts, lacking means of communication and easy to defend. From these regions they sally forth and maintain guerilla warfare upon the populations of adjoining areas, or any troops sent to suppress them.

According to a statement made by the Chinese Government on May 5, 1931, the ravages committed by Communists in the province of Kiangsi alone up to that date amounted to 186,000 persons massacred, 2,100,000 persons forced to migrate, 100,000 houses destroyed and damage to property estimated at 630,000,000 dollars.

Some further idea of the losses which China as a whole has suffered from the depredations of Communist forces in eight provinces, is afforded by the following statement which Mr. J. O. P. Bland has quoted from a pamphlet recently issued under official auspices at Tokio:

[1]" In January 1932, according to Chinese press reports,

[1] *China: The Pity of It*, Heinemann, 1932, p. 274. Mr. Bland's conclusion regarding the Communist danger in China is that: " The ' Red Peril ' is real enough in China to-day, and it will continue to make life a burden and a terror to millions until, in Heaven's good time, benevolent despotism, in the hands of a strong ruler, shall have restored China's ancient ways of stability. But the

their predatory activities extended over large areas in seven provinces. On the South Honan border, their forces, sometimes described as Communist and sometimes as bandit, amounted to 40,000 men. In Hupeh, according to the same reports, the number of people killed in 'Communist' raids since 1930 amounted to 164,000; nearly a million more had abandoned their homes, and 78,000 were being held to ransom."

The Wuhan cities, including Hankow, were for a time seriously menaced by the advancing Red armies. So critical did the situation become early in 1932 that large forces of Government troops were drafted to the district and Chang Kai-sek transferred his headquarters to Hankow in order to take command of the operations against the Communists.

Since that date some improvement has taken place; the Red armies have suffered heavy losses and in some parts have been broken up, while some of the "soviets" have been disbanded. In one engagement 100 modern machine guns were captured from the retreating Red troops. Despite these successes, however, large regions of China remain under the domination of native Communists and there is as yet no evidence that the danger of a big extension of their numbers and power is at an end.

Another fact, apart from the increasing strength of Communism, justifying Moscow's policy of non-aggression in China Proper, is the successful extension of Soviet infiltration, amounting to virtual annexation, in Outer Mongolia without any action being taken by the Powers to limit Russia's penetration in that region.

Russia's interests in Northern Manchuria, despite the inevitable "incidents" during the period of Japanese

'Red Peril' with which the Kuomintang propagandists would make our flesh creep, the vision of China's 400 million organised to Communism for Russia's purposes of world revolution, may be dismissed as impossible, for the reason that the intensely conservative race-mind of the Chinese has always been impervious to political principles undreamt of in its own philosophy. . . ."

military activity, remain intact. And, as the one Power which has voluntarily surrendered all the "concessions" in China and other rights secured to her by the "unequal treaties," Russia may reasonably expect to see her influence increase in that area during the vital years ahead.

Moreover, it must be remembered that Russia is China's nearest neighbour, apart from Japan. The very fact that Japan is to millions of Chinese the "enemy" may cause Nanking to ignore the risks involved in closer alliance with Moscow. Almost certainly it was this desire to secure an ally against Japan, and to prove to Tokio that China is not entirely without friends, which dictated the renewal of diplomatic relations between Nanking and Moscow in 1932.

The dream of a Russia dominant on the seaboard of the Northern Pacific has given way to the even more ambitious dream of a Bolshevised China, carrying out in the Far East the policies of Moscow. Communism has learnt one lesson which promises to revolutionise existing views upon imperialist expansion; that lesson is that so long as any state is linked with Russia by the bonds of a common creed and common interest actual annexation no longer matters. Russian influence in Asia, steadily growing under the astute guidance of experienced diplomats, may, and probably will, in the absence of a war precipitated by Japan in order to forestall that eventuality, reach its highest peak without a single Red soldier appearing on the Eastern horizon.

This possibility lies behind Japan's obvious uneasiness concerning Russia's growing prestige in the Far East. While Tokio may profess to fear a direct challenge from Moscow to her present expansionist policy, informed opinion recognises that the real danger is that Russia may gain by moderation more than Japan can seize with bayonets. The Japanese Government knows that time is on the side of the Soviets; that war is the last thing

which Moscow wants to-day. No one conversant with Russia's record in the Far East during the past troubled years could entertain doubts on that point, for had Russia harboured any designs of territorial expansion, half a hundred " incidents " would have supplied them with sufficient excuse to set the Red army marching. In fact, Russia's policy has been both moderate and non-aggressive. But Tokio fears that this might not always be the case ; that in ten years' time, when the Moscow-Nanking " understanding " may have blossomed into a virtual alliance, and Russia's industrial development no longer be consuming all her energies, she may be faced with a combined Russo-Sino *bloc* covering more than half of Asia, and strong enough to defy her and enforce the abandonment of her own policy of expansion on the Asiatic mainland.

In addition to that nightmare, Tokio is by no means averse, at present, to seek to justify her own cavalier treatment of treaties by pointing out the existence of a " Red menace " which only her own liberal interpretation of the Nine-Power Treaty and other diplomatic documents can circumvent. In other words, Japan has shown a tendency in the immediate past—and a tendency which may grow to settled policy in the immediate future—to capitalise all those fears of, and antagonism to, Soviet Russia, which undoubtedly exist in various quarters, as a reason for securing absolution for what are, in Western eyes, her own misdeeds.

" The Japanese believe, and the evidence supports their belief, that their very existence is menaced by the operation of treaties they are expected religiously to observe, while forces over which the other Signatories have no control have grown to such ominous proportions that the Powers must either guarantee Japan's security against this menace or stand aside while the Japanese fight their own battle," stated Mr. George Bronson Rea in the *Far Eastern*

Review (Shanghai) with reference to Japan's fears of Bolshevist infiltration into the Far East. " If the Powers decline to guarantee Japan against aggression *from the direction of Urga* and still insist that she faithfully adheres to the letter and spirit of her commitments, as defined by them, there can be only one ending to the dispute. The War of the Races, of the White Man against the Yellow, the war that will make Communism supreme in Asia and hand its vacant spaces over to the prolific Chinese, will have to be fought."

And again:

" Japan knows that some day she must fight. For the present, her one security is the French system of alliances that operate as a check on Russia from the West. Should the Polish alliance and the Little Entente collapse and release Russia from attack in that direction, her hands would be free to carry out her cherished programme in Asia. Any disturbance of the delicate balance of power in Europe that would diminish the pressure on Russia's western frontiers would be the signal for immediate war in the Far East, a war which would have to be fought by Japan alone. France therefore stands as the sole guarantor of the peace of Asia and the Far East, the only friend Japan can rely upon in her desperate struggle to preserve her security and right of self-defence against a combination of other Powers so intent upon enforcing their own policies that they give no heed to her danger."[1]

" The world cannot expect Japan to conform to ideas, policies, and treaties formulated for the maintenance of the *status quo* in Europe and the preservation of China's

[1] Since this article was published, Soviet Russia has concluded Pacts of Non-Aggression with France and Poland. A similar pact between Russia and Rumania only broke down because of the difficulties of securing agreement regarding the status of the former Russian province of Bessarabia. Soviet Russia is therefore now entitled, if treaties mean anything, to regard the dangers of aggressive action against her European frontiers as at an end. And this fact, according to Mr. Rea, leaves her free to concentrate her armed forces in Asia.

territorial and administrative integrity and independence, under cover of which Soviet Russia is conceded full freedom to extend her influence throughout Asia, carry forward the traditional Muscovite programme of territorial expansion at the expense of China, and use this country (China) as the Far Eastern spring-board for world revolution, without making a determined effort to protect herself."

Thus the Japanese fear of a second war with Russia, with all China in the battleground, as outlined by a neutral observer. Is there any justification for such fears, apart from Tokio's desire to pose as the injured party when faced with charges of having violated her treaty obligations, and as the banner-bearer of capitalism against encroaching Communism in the Far East?

"The Government of the Soviet Union," declared M. Molotov, Premier of the U.S.S.R., on November 7, 1931, "abides by a policy of non-intervention, for it esteems its international pacts with China, it esteems the sovereign rights and independence of other countries, and it considers a policy of military occupation incompatible with the peaceful policy of the U.S.S.R."

In a further speech, delivered at the opening session of the Communist Party Conference at Moscow in January 1932, M. Molotov declared that international complications, especially in the Far East, were the sole factor capable of obstructing the victorious march of the Soviet Union towards Socialism. In that speech the Russian Premier declared that Russian *émigrés* in Manchuria and Paris were openly planning to detach the Far Eastern provinces of the Soviet Union with the aim of creating a buffer state with foreign support.

The latter speech serves as a reminder that Russia still possesses wide interests in the Far East, both in territory and her special "zone" of influence in Northern Manchuria, and it is reasonable to assume that the Soviet

Government, however genuine its desire for peace, is not unprepared for emergencies.

During Japanese penetration north of Harbin, considerable concentrations of Red troops were effected between Manchuli and Vladivostok. Thus the Foreign Office at Tokio reported on April 18, 1932, that the Soviet Government had assembled nine divisions on the Manchurian border in positions which, while defensive, showed that they were prepared for hostilities.[1] The same statement declared that "Japan will scrupulously refrain from giving Soviet Russia cause for alarm."

On the same day, the *Straits Times* (Singapore) reported "repeated rumours that Soviet Russia is massing large armies on the Manchurian borders, both in the maritime province north of Vladivostok and in Trans-Baikalia. Moscow denies these reports, but they are so persistent, and Japan has been taking them so seriously within the past few weeks, that it seems certain there is some truth in them."

The same newspaper further revealed that:

"Japanese aeroplanes have, on several occasions, been brought down while flying over Soviet territory at both ends of the Chinese Eastern Railway, and very significant indeed is the fact that Russia has withdrawn nearly all the locomotives and rolling stock from the Chinese Eastern Railway into Soviet territory and refuses to send them back despite the repeated requests of the Manchukuo government."

The Manchukuo government was, at that time, claiming the reversion to them of the Chinese rights in the Chinese Eastern Railway, and the Chinese manager of the line, supporting this claim, endeavoured to persuade the Board of Management to buy new locomotives and rolling stock from the South Manchurian Railway Company, giving Japan an interest in the Eastern line in payment. The

[1] *The Times*, April 19, 1932.



THE PORT OF YOKOHAMA

Russian directors of the railway, however, perhaps seeing in this proposal the " thin end of the wedge " of Japanese control, refused to entertain this proposal.

Further reports coming from Manchuria at that time stated that Russia was buying large quantities of grain and foodstuffs from Manchuria in order to feed the additional forces concentrated upon the frontier.

" These various reports," commented the *Straits Times*, " all seem to point in one direction—namely that Russia fears Japan has designs on the Chinese Eastern Railway, and that she is fast preparing for the war with Japan which such a policy would most probably involve."

While Russian and Japanese forces thus faced each other across the Soviet frontier, and " incidents " connected with Russia's part-ownership (with China) of the Chinese Eastern Railway multiplied, the Soviet press was openly alleging that Japan aimed at carrying hostilities across the Soviet frontiers, and pretended to believe that an armed clash was imminent.

Thus the Moscow *Isvestia* of April 18, 1932, declared that Japan was already preparing public opinion for an extension of aggressive military occupations, and was compelling the Japanese press to remain silent about official denials of Soviet complicity in a dynamite outrage and other violent acts reported from Manchuria.

Soviet reports, in turn, declared that the conditions of Soviet officials on the Chinese Eastern Railway had become intolerable and accused the Japanese military authorities of arresting Soviet citizens in great numbers, contrary to international law, and in defiance of existing treaties between the two nations.

It is at least doubtful, however, whether either nation really regarded the danger of war as serious. Russia might quite reasonably strengthen her garrisons along the Manchurian frontier, bearing in mind the violence of anti-Soviet propaganda in Japan, but in the event of an actual

conflict Russia would be compelled to transport troops, munitions and all supplies for the campaign along the single-track trans-Siberian railway which proved such a feeble life-line in 1905. The efficiency both of the Russian army, and of Russian organising ability, has immeasurably increased since that campaign, and Japan would to-day, in the event of war, be faced with Russian forces greatly superior in morale and technique than those she defeated thirty years ago. But the problem of transportation remains unsolved.

Pigeon-holed in a government office at Moscow are detailed plans for building a second track to the trans-Siberian railway. It is claimed that that second line could, in an emergency, be completed and opened for traffic within six months. But even accepting the possibility of that feat, could Russia hold on for six months with a single line while the whole forces of modern Japan were unloosed against her? Military opinion, conversant with the strategic problems of that region, believed that before the second line was finished, Russia would have lost Vladivostok and the Far Eastern Republic, together with the Chinese Eastern Railway and all contact with either Manchuria or Mongolia, thus facing Moscow with a new war of conquest to restore her position, or a negotiated peace.

In man-power, on the other hand, Russia could undoubtedly have placed superior numbers in the field had the need arose during the troubled months of 1932.

It has been the practice of the Soviet Ministry for War, during recent years, to carry out " test mobilisations " in various districts, notably in Siberia, in order to ascertain the number of able-bodied men who would volunteer for service in the event of war. Those mobilisations are supported by press announcements of hostilities, and all the propaganda associated with an actual emergency—the

population concerned believing that war has actually broken out. Instances are known to the writers in which 95 per cent of the entire male population of a district, between the ages of seventeen and fifty, have offered themselves for war service within twenty-four hours. Nothing like this response could ever have been looked for in the days of the Czars, and it is this readiness to " defend the Revolution " on the part of the Russian masses, who, whatever their grievances, are united in the belief that a capitalist attempt to overthrow the Workers' State will come, that has transformed all authoritative calculations of the military strength of Russia in the event of that nation being drawn into the Far Eastern *imbroglio*.

The spokesmen of the Japanese Government, on the other hand—and whatever unofficial propagandists might say of the imminent Red Menace—were firm in their assurances that all was well between the two nations.

Relations between Russia and Japan, subsequent to the Revolution, were regulated by the convention signed by representatives of the two countries at Peking on January 20, 1925. By this Convention, Soviet Russia acknowledged that the Treaty of Portsmouth of September 5, 1905 (which established Japan in her present privileged position in Manchuria), " shall remain in full force." And Article V of the Convention stipulated that " The High Contracting Parties solemnly affirm their desire and intention to live in peace and sanity with each other, scrupulously to respect the undoubted right of a State to order its own life within its own jurisdiction in its own way, to refrain and restrain all persons in any governmental service for them, and all organisations in receipt of any financial assistance from them, from any act, overt or covert, liable in any way whatever to endanger the order or security in any part of the territories of Japan or the Union of Soviet Socialist Republics."

Diplomatic relations between the two countries are still based upon the terms of this Convention, and the spokesmen of Japan have repeatedly disclaimed any aggressive designs against either the U.S.S.R., or the interests of that state in the Far East.

Thus Mr. Matsudaira, Japanese Ambassador in London, who was one of the Japanese representatives on the Council of the League of Nations during the discussions on Manchuria, declared, in an interview given to the Geneva correspondent of the *Dortmunder Generalanzeiger*: "I emphatically deny any provocation of open conflict with Soviet Russia. On the contrary, Japan has always tried to respect Russia's legitimate interests in North Manchuria, and even at the time of the fighting with the Chinese near Tsitsihar strict orders were issued by the Japanese commander not to interfere with the transportation on the Chinese Eastern Railway, and not to cause damage to the property belonging to that railway."

In that interview Mr. Matsudaira further stated that: "I know that there is a lot of discussion on the Russian Five-Year Plan, but it is a far cry indeed from such discussions to the fantastic idea that Japan will undertake, at the present moment, a so-called preventative war with Russia for the sake of preventing the completion of these Russian plans. This question is fully answered by the statement which I have already made that Japan has no intention whatever of provoking trouble, or conflicts, or war with Russia. If Russia does not disturb the situation she has no reason to fear any trouble from Japan."[1]

On February 21, 1932, General Araki, the Japanese Minister for War, granted a special interview to Mr. Howe, the staff correspondent in Tokio of the Associated Press of America, at which he replied to a series of questions put to him concerning the issues raised by Japanese actions in Manchuria.

[1] Reported in the *Manchester Guardian*, May 28, 1932.

From the report of this interview, published in the form of question and answer, we quote the following extract:

Q. " Does the Minister believe there is danger of conflict with Russia growing out of Japan's occupation of Harbin and use and control of the southern branch of the Chinese Eastern Railway? "

A. " I do not believe there is any such danger. It is very gratifying that the Soviet authorities and the Chinese Eastern management, with a straightforward appreciation of the legitimacy of our military actions in North Manchuria, have consistently taken a fair attitude towards us. The revolutionary ideas of Communism are never acceptable to a country like Japan. As long as Soviet Russia will refrain from interference, with a full regard for our action, we shall never encroach upon the rights of the Chinese Eastern Railway, or break in upon Russian territory. As for the allegation of instigating the White Russians, with which Soviet Russia seems most seriously concerned, it is nothing but wild fantasy. What I should like to add is that the occupation of Harbin by our troops is only a temporary one. As for the use of the southern branch of the Chinese Eastern Railway, we have the positive consent of the Soviet Government, there being no case of our men taking control of the railway, as your question seems to imply."

Q. " Does Japan propose to buy this branch? "

A. " We do not."

Q. " Does Japan desire to control the whole of the Chinese Eastern Railway? "

A. " We have never had such a desire."[1]

It must be remembered, in assessing these and similar statements at their true value, that Soviet Russia has up to the present preserved a scrupulously impartial attitude

[1] *Sino-Japanese Entanglements*, Herald Press, Tokio, 1932, pp. 323–4.

towards the Far Eastern Crisis, and shown no tendency to endeavour to seek extensions of territory or privilege in that area, outside Mongolia. Japan has, in other words, been left with a free hand to carry out her policy in the Three Eastern Provinces of China without any attempt by Russia to interfere. Whether Japan's official protestations of benevolence towards Soviet Russia would survive any move by that nation to assert her right to regard Northern Manchuria as a Russian "zone of influence," and to limit Japanese action there, is at least problematical.

It is significant, to say the least, that despite many rumours that Japan desired to purchase the Russian interest in the Chinese Eastern Railway, Moscow has never shown any tendency to name a price, and thus clear the path for her virtual withdrawal from Manchuria. On the contrary, Russian interests in that railway have been politely, but nevertheless firmly, upheld in diplomatic correspondence with Tokio, and inspired rumours that Japan might assume control have come to nothing.

It may well be that the idea that Japan had designs upon Russia's Maritime Province on the Pacific, including the port of Vladivostok, was circulated by White Russian exiles in the hope of provoking a conflict which would give them a "homeland" of their own under the protection of Japan. Whether or not such an explanation fits the case, Japan may well pause before embarking upon so desperate an adventure at a time when, from the point of view both of military expansion and finance, her hands are full. Even though it cannot be denied that the final disappearance of the Muscovite from the Pacific coast would be welcomed by a nation ambitious of dominating the whole of the Northern Pacific.

There is no reason to doubt that both nations are perfectly sincere in their "will to peace" at the present juncture. Both have everything to lose and little to gain

by precipitating a conflict. The natural battleground of that trial of strength between Soviet Russia and Japan, if it ever comes, will be China—a China drawn towards Moscow both by reason of proximity to Russia, and hatred towards Japan. The Russians know that a voice in Chinese affairs, and a privileged position in that country, would give them virtual control over all Asia. Hence the moderation with which Russia has accepted all rebuffs offered to her by China since 1917, and the pertinacity with which she has pursued her policy of encouraging, by every means in her power, the infiltration of Communist ideas and ideals—including the ideal of a China standing beside Russia in open opposition to the capitalist " exploiters " of that country.

In the task of winning the goodwill of a suspicious, nationalist China, Russia set out with the great advantage of having accepted the abolition of all privileges, including extra-territorial rights for her citizens, within the frontiers of China. In the eyes of the Chinese nationalists, because of this fact, Russia is a " friend," and such nations as Great Britain, Japan, France, and the United States, clinging to rights granted to them by former Chinese governments, are " Imperialist aggressors."

" The Soviet has never concealed the fact that our sympathy is with the Chinese people, striving for their independence and national unity," declared Molotov, Premier of the U.S.S.R. " The Chinese peasants are looking for their own road to liberty and believe that Russian methods are best." In that belief, Soviet Russia made one attempt to win China for Communism. The task was entrusted to Borodin, an experienced ambassador of the new creed. It failed, and for some time relations between the two nations were strained, while the heads of Chinese Communists—and some Russians too—rolled into the Chinese dust.

Undismayed, Moscow pursued her policy of moderation

which was intended to convince China that "Codlin's the friend, not Short," assisted by the growing hatred of Japan. And to-day, the need of avoiding any false step which would identify Russia with the "exploiting" Powers, and cost the Soviets all that they have gained by years of propaganda and self-sacrificing acceptance of equality in China, is still the basis of Russia's policy of strict non-aggression towards China, whether it be north or south of the Great Wall.

In seeking to conquer China for Communism by means of the pen and the propagandist—weapons outside the scope of the Nine-Power Treaty, but which may nevertheless prove more powerful than either armies or navies—Russia is furthering two cardinal points in the foreign policy of the Soviet Government at one and the same time. Those points are to extend the influence of the Russian state in the Pacific area, which will be the nerve-centre of the world to-morrow, and to undermine the position of Great Britain in Asia.

In Europe, Russia, the greatest land power in the world, is powerless against British sea-power. Any effort to secure improved access to the seas could be shattered and defeated by the British Navy. In the event of war, Russia's few harbours could easily be blockaded. But if lack of outlets to the world's trade routes has always been the weakness of Russia, the far-sprawled British Empire, and Britain's world-wide interests, have weaknesses, too, by which the astute opponent can harm Britain without raiding the English Channel. By virtue of her Indian Empire, the Straits Settlements, and interests in China, England is still the greatest land-power in Asia. She is also anti-Communist, although maintaining diplomatic and trade relations with the Soviet State. In the event of any extension of Russia's position or prestige in the East, that nation would expect to find the whole weight of Britain's position thrown into the scale against her. May not some of the inspiration

behind Russia's encouragement of the anti-foreign movement in China have arisen from this fact? For the fruits of Russian penetration in Canton can be as annoying to Whitehall as Russian propaganda in Camberwell.

This question of the action and reaction between the politics of Europe and the Far East is sometimes overlooked. Yet the repercussions in Europe of events in farthest Asia have been made plain for all to see by recent events in Manchuria. In relation to recent events in China the effects of Russian policy, if it were to succeed in causing China to "break" with the Western Powers, would be to overthrow the existing rights of Britain, France, Japan, and other nations in that country and enthrone a benevolent Soviet Russia as adviser-in-chief to Nanking in their stead.

If the considerations set out above do, in fact, influence the foreign policy of M. Litvinoff and his advisers at Moscow, then despite all the sincerity with which that policy may be pursued, and the ability of the Soviet diplomatists, it will fail. Russia's dream of a "Red China" stretching from the Great Wall to the borders of India and Tibet will be defeated by that lack of national unity which is the curse of the Yellow Empire to-day, and for which the Chinese Communists are more than anyone else responsible. Russia's cause is, in any case, hampered by reason of the further fact that she cannot promote her interests by financial concessions, owing to her own poverty, or by military force without the risk of facing a charge of "imperialism" from Chinese nationalists who view the depredations of all foreigners with complete impartiality. Any attempt to hasten the break between China and the Western Powers and Japan by armed intervention would, moreover, inevitably result in the appearance of a Western *bloc*, composed of Britain, France, and Japan, with or without the United States, in the field against her. Russia is therefore forced by her

own statements and self-interest alike to remain an onlooker, but an onlooker to whom the future of China is of more importance than to any other European Power.

That rôle cannot but be unpalatable to Moscow. For forty years, up to 1917, the main concern of the Western nations was to hold the balance of power in the Far East poised evenly between Russia and Japan. Dominance for either opened up the prospect of further conflicts which would end only when one side or the other had secured the hegemony of the Pacific.

That carefully-maintained balance between two nations with conflicting aspirations and needs, was preserved by President Theodore Roosevelt at the Portsmouth Peace Conference in 1905. To-day the equilibrium exists no more; Japan, by seizing Manchuria, has established herself in a position of dominance on the very borders of Soviet Russia. That fact must remain an unsettling factor in international politics during the years immediately ahead. What follows—whether Russia will accept a position of permanent inferiority in North Asia, shut off from warm seas—will depend more upon Moscow than Tokio. And Moscow's reactions will probably be influenced by the trend of events in China.

Whatever the outcome of the new situation, Soviet Russia, greatest land power on the Asiatic Continent, cannot be disregarded. Up to date her policy has been one of moderation and rectitude. But up to the present, Soviet Russia, in a military sense, has been weak. In a few years that vast region may have surmounted the present difficulties of food and transport, due to the rapid *tempo* with which industrialisation has been attempted. The vast new plants for the production of war material in the Urals and elsewhere will be complete and in production. The railway system may have been improved. Her position in Europe may be more secure. And if, when these things have happened, Soviet Russia remembers

that she remains sea-hungry; remembers, too, the rich prizes which await the nations who are dominant in the East, then the tone of those communiqués issued in Moscow may change, and Japan may find herself face to face in the Manchurian plains with a new Russia, conscious of her power, and determined to see that the former balance of power be restored in her favour.

Until the moment for action arrives, any development which promises to curb the power of Japan upon the Asiatic mainland, or to draw the Republic of China within the orbit of a Sino-Russian alliance, will be welcomed at Moscow.

Japan, knowing full well the identity of the nation which destiny has placed in the rôle of chief antagonist to her plans for expansion, chose well her moment to strike. Profiting by Russia's internal distractions, and appreciating the peaceful declarations of Soviet statesmen at their true worth, the Japanese army has established its advance posts within a few miles of the Soviet frontier. And Soviet Russia has accepted that *fait accompli* without protest. Whether from conviction or lack of any choice, the history of the next ten years will reveal.

Meanwhile, one fact is, we think, indisputable. The Red Star in the East is in the ascendant. And just as surely as when the Czarist eagles hovered over that region, that fact bodes ill for Japan's cherished plans for a "Japanese Monroe Doctrine" for Asia, and military and economic domination over the Pacific area.

CHAPTER XIV

MISTRESS OF THE PACIFIC?

"ONCE secure in Manchuria, the paramount interests of Japan in Asia will have been placed upon a firm basis, and she will be in a stronger position to exert pressure upon China in other matters. On the other hand, observers on the spot believe that control of Manchuria purchased at the price of losing the bulk of her Chinese trade will prove a Pyrrhic victory for Japan. Certainly the boycott is China's most powerful weapon, and now that she is practically out of Manchuria and unlikely to have it restored to her without qualifications insisted upon by Tokio, China may well be persuaded that she has everything to gain and nothing to lose by inflicting all the damage possible upon her neighbour. For if the Japanese did not hesitate to advance in Manchuria, they would probably think not twice, but many times, before invading China Proper with all the possibilities, even certainties, of international complications which such action would entail. It remains, therefore, profoundly true that the very weakness of China is her main strength. The Great Powers may be induced to accept a Japanese-inspired government at Mukden, but no one in touch with international affairs will be rash enough to sponsor the view that either Great Britain or the United States would stand aside were any extension of aggressive action into China Proper begun by the Japanese troops.

"Regarding the eventual repercussions of this accident of history which has brought the two yellow races face to face upon the mainland of Asia, the issues thus raised are pregnant with the destiny of nations—not only of China and Japan, but the Great Powers also. No end is in sight."[1]

Thus we wrote when the issues raised by Japan's occupation of Manchuria were still believed to be in doubt, and before the recognition of "Manchukuo" by the

[1] *Manchuria : The Cockpit of Asia*, p. 254.

Tokio government. The Japanese themselves have since admitted, by implication, their fear that China may decide, as we then stated, that " she has nothing to lose," by desperate attempts to prove that China's real interests lie in the formation of a Sino-Japanese *bloc* against the Western Powers, as the first step in enforcing a " Hands off Asia " policy in that region, and paving the way for the enforcement of a " Japanese Monroe Doctrine " of the Pacific.

Japan's recognition that both the League and the Powers would, in the end, sum up against her, and her anxiety to anticipate coming events, were clearly indicated by the tone of the Japanese press during the closing months of 1932. Particularly interesting was the viewpoint of nationalist opinion in Japan as expressed in an article published in the *Gaiko Jiho*, a monthly review considered to reflect the opinions of the ruling class at Tokio, written by Mr. Gyokujo Hanzawa, the editor.

Having begun with the declaration that Japan took drastic action in Manchuria and at Shanghai in order to " baulk American ambitions in the Far East and free China from the aggression of other Occidental nations," Mr. Hanzawa attempts to reconcile Japanese aims in the Pacific with the true interests of the Chinese Republic, by the following illuminating argument :

" Whom did Japan fight so heroically at Geneva ? It was not China ; it was a world influence attempting to take advantage of the internal dissensions in China to establish sway over Asia. When Japan sent troops to Shanghai and destroyed Chapei and wrecked Woosung Forts she did not do this because she hated China, but in order to serve notice on the West to quit meddling with Asia.

" In other words, Japan's enemy was not the 19th Route Army but the recognition of the existence of the world's greatest potential military power (the United States). The bombing of the Commercial Press by our heroic airmen was

a notice to the League of Nations to cease interfering with the Far East. The destruction of the Woosung Forts was really the destruction of American designs to penetrate and consolidate her position in the Far East. Through the Shanghai incident Japan fought the world and emerged victorious. The series of triumphs achieved by our heroic troops there frustrated the cunning designs of the rest of the world to interfere with and oppress the Far East, and, through the Shanghai incident, Japan was instrumental in enabling China to check Western aggression and escape from Western supervision. China ought to be grateful for all this, for we would like China to realise that, through us, China has the chance now to destroy all Western influence in China!

"Formerly, for very good reasons, our diplomacy was based on conciliation towards Europe and America. That day, however, is gone. Japan is now confident of her ability to stand up alone and we have now returned to the principle of 'Asia First.' Japan's diplomacy is now definitely based on the principle of 'Hands off in Asia,' and she is even prepared to go to the extent of severing relations with the United States, if this is necessary, to maintain this principle."

The article concludes with a statement that "Japan dearly loves China; she certainly loves China far more than the United States, and she values a 'righteous peace' in the Far East more than the peace of the world. That is why our diplomacy is now based on the principle of 'Asia First.'"

It would be difficult to compress more clearly than Mr. Hanzawa has done the real dangers to world peace in the Pacific. Discounting the difference in tone of Japanese statements intended for Western consumption, it remains true that the ultimate issue upon which Japan is apparently prepared to stake her existence as a first-class Power is the racial one—resistance by the two yellow races to any

domination by the white. Once that fact is grasped, many missing pieces in the jig-saw puzzle of the Pacific fit into place, and a picture of future probabilities emerges.

Japanese impatience with the restraining influence of the Nine-Power Treaty, the League Covenant, and the rest of the machinery by which the white nations have sought to maintain the *status quo* in their own favour; Japanese anger at criticism levelled at her actions in Manchuria, which she holds to be a " domestic squabble " between the two yellow nations; statements made by the ultra-patriots at Tokio that the League of Nations is " the enemy "; and Japan's annoyance with China for appealing to Europe and the United States against her—all these aspects of recent events are explained by that Japanese dream of a " Monroe Doctrine " which will sweep " white " influence out of the Pacific, and leave it, or its northern portion, as the preserve of the yellow races. Which means, of course, the hegemony of Japan, using China as an inexhaustible reservoir of raw material and man-power for the creation of an empire strong enough to withstand any combination of Powers which might, through envy or fear, be launched against it. Behind every one of Japan's recent actions lies this dream of paramountcy in Asia. At the very moment when it is carefully repudiated at Geneva, partnership, of a kind, in Greater Japan is the carrot dangled before the nose of China at the other end of the world.

Nothing short of this policy of continental expansion will satisfy the Japanese army, which, as we have seen, is the deciding voice in shaping the policy of Japan.

Much has already been accomplished; sufficient to make the next step a real danger to world peace. The Japanese navy is supreme in its own waters, and controls the approaches to Eastern Asia. The Japanese army has its outposts on the Soviet frontiers, and a sure footing on the mainland of Asia which it will never surrender. The flag of the Rising Sun flies over most of the islands north

of the equator, and America's apparent determination to grant self-government to the Philippines raises her hopes of eventually adding those islands to her empire. If China's co-operation is withheld, that country can be made to see reason by a repetition of the " heroic actions " of Japanese arms.

Three major obstacles, co-related and, we think, insurmountable, remain in her path. They are the treaties guaranteeing the integrity of China, and forswearing any use of force as an instrument of national policy to which Japan has put her signature ; the power of the League of Nations, or rather, of the Great Powers in the League, to veto any further advance of Japan ; the determination of the United States that the " Open Door " policy shall prevail, and that no one nation shall be permitted to become the undisputed mistress of the eastern Pacific.

Japan can withdraw from the League, but she has under the terms of membership to give two years' notice of withdrawal, and at the end of that time her membership ceases only if she has fulfilled all the obligations she accepted on signing the Covenant.

There are indications, however, that Japan decided, during early stages of the crisis, to withdraw rather than suffer interference with her policy in the Far East. She has apparently counted the cost of turning her back upon the contacts built up over the last sixty years, and going into isolation, and is undoubtedly prepared in certain eventualities to face that development rather than bring her aims into line with world opinion.

This raises the question of the future of the islands Japan holds under mandate from the League in the event of her leaving Geneva. By the Treaty of Versailles, Japan accepted mandatory powers over the former German possessions north of the equator in the Western Pacific, including the Marianne Islands, the Caroline Islands, and the Marshall and Pelew groups.

According to a statement made by a government spokesman at Tokio, it is Japan's intention to retain these islands in the event of a rupture at Geneva leading to her withdrawal from the League.

" The presence of President Woodrow Wilson at the Versailles Peace Conference made it impossible to call things by their right names. Instead of the spoils of war, they were called ' Mandates,' added this naïve statement."[1]

Tokio's intention to remain in possession of the mandated territories, short of a direct attempt to oust her from possession, recalls the interest which the League showed, in January 1933, in reports that the Japanese are secretly preparing submarine bases in some of the islands.

According to information from Geneva, the first hint of mysterious activities in the Pelew and Marianne Islands came from American sources, ever watchful of the trend of events in the Pacific. The United States regarded it as imperative that the reports should be investigated, for the construction of any naval base in the mandated islands would not only involve an infringement of Article 22 of the League Covenant, but be a violation of the Four-Power Naval Treaty signed at Washington. Since the reports specially referred to Saipan, in the Marianne Islands, as the site of one of the new Japanese naval bases, American interest was understandable, for Saipan is situated only about 100 miles from Guam, the United States' possession which was left unfortified under the terms of the above treaty.

In cross-examination, the Japanese representatives admitted that they had already spent a sum equivalent to

[1] " The *Chugai Shogyo* quotes a Government declaration that the League's rights are confined to receiving the annual reports. Regarding the biennial continuation by the League of the obligations of the mandate, this, it declares, is applicable only where the withdrawing State is acting in its own interests but would be inapplicable in the case of Japan, because her withdrawal would be caused because her national prestige and honour had been trampled on."—*Manchester Guardian*, February 1, 1933.

£100,000 on new harbours in the two groups of islands, and proposed to expend more, in order to increase the facilities for commerce. It may be so, but there were circumstances attaching to that explanation which the Mandates Commission considered suspicious and worthy of further investigation. For the combined population of the two groups of islands is only 11,000; trade is negligible, and those not more than normally suspicious may wonder why any Power should choose to spend so large a sum on providing improved harbour facilities for 11,000 people at a time when money is not too plentiful, and the Japanese budget swollen to dangerous dimensions. Further, there were rumours that ships—especially American ships—which had tried to approach the scene of this constructional work, were ordered off by the Japanese authorities on the spot. On the other hand, both Pelew Island and the Marianne Group possess considerable strategic importance in the event of any conflict in the Pacific. Their importance to Japan *vis-à-vis* the United States is especially great, Pelew Island lying directly on the route between Honolulu and the Philippines, and the Marianne Islands being admirably placed to dominate Guam, upon which American hopes of a naval base in the Pacific have been centred for many years.

While the investigations into these circumstantial reports promised sensations at Geneva, rumours of an equally interesting development came from the other side of the world.

The *China Weekly Review* declared that, according to reports, General McArthur, the U.S. Chief of Staff, had journeyed to the Far East for the purpose of studying the possibility of establishing an American naval and military base on Kamchatka peninsula, belonging to Soviet Russia, and the most southerly point of which is only seven miles from the Japanese Kurile Islands. Moscow, so the rumour proceeded, was prepared to afford the facilities required

in return for the *de jure* recognition of the Soviet Government by the United States, and the right to raise loans in that country.

It may well be that the preparations and counter-preparations which were the subject of these reports had no foundation in fact. Even so, the rumours afford an indication of the high tension at present existing between the two nations, the names of which are most persistently mentioned in discussions on the possibility of a Pacific conflict in the near future.

Before there is need to visualise the " inevitability of conflict," however, the question of whether Japan intends to further her aims by the methods of peace or the ways of war must first be answered. The reply tends to alter according to whether the evidence on which an opinion is based has been culled from the statements intended for European ears, or are those put out for home consumption.

Japan undoubtedly stands to gain much by the exercise of patience, which makes it all the greater tragedy that Tokio's stock of that commodity is apparently rather low at present. Above all, she needs free and unhindered access to the Chinese market, and any attempt to dominate China by force unless Japan can cease " nibbling " and establish a more or less complete protectorate over that country, will only intensify the anti-Japanese boycott. It would increase the difficulties of her trading community, with violent repercussions upon the labour and population problems in the Japanese homeland. To the certainty of huge losses through the boycott must be added the danger, indeed, the certainty, of action by the Western Powers and America to enforce the principle of the " Open Door."

The Chinese market is, indeed, the pivot on which future events in the Pacific will turn. The three Powers destined to play the leading rôles in developments concerning China are Great Britain, the United States, and

Japan. Twenty years ago a fourth Power—Russia—would have demanded inclusion in the list of those nations who must be consulted and considered in all matters affecting the future of the Chinese territory, but since the coming of the Bolsheviks the Russian position in the East has changed, and she can be eliminated, for the time being, from the Pacific arena. The time will come when Soviet Russia may have to be taken into account, but it is not yet.

France, the only other great Power with substantial interests at stake, may also be ruled out, for her commitments in Northern Africa demand all the sagacity and skill of her statesmen; they admit of no participation on a large scale in Far Eastern ventures.

We have seen that China offers Japan the two things which, above all others, she needs—opportunities for colonisation and employment for her people, and further supplies of raw materials adjacent to Japan. There would be ample scope on the Chinese mainland for Japanese specialists and workers in opening up the natural wealth of China, and the yellow labourers, whether Chinese or Japanese, could, by virtue of low wages and a frugal standard of living, develop these untapped resources to the advantage of both countries.

Japan must expand; the world knows that and admits it. The crucial question is whether that expansion shall be westward to the Asiatic mainland, or southward? A southward tendency would mean the partial displacement of the white race, with all the risks involved of a serious clash between the yellow and the white. The merest hint of such an eventuality would cause Australia and New Zealand to support the United States in any action that nation might take against Japan, irrespective of the attitude of Great Britain. Indeed, it is already certain that should America decide to challenge the Japanese policy of expansion, she would not find herself



THE CENTRAL STATION AT TOKIO

Situated in the heart of the business quarter, [illegible]

alone in taking up a definite position. Whether or not Britain supported Washington in any protest or action American statesmen might make, both Canada and Australia would be found supporting that country in order to maintain an " unbroken front " of the white peoples in the Pacific.

With such dangers inherent in the situation, the time has come when a definite decision must be reached regarding the allocation of interests in the Far East, in such a way that the legitimate aspirations of the Japanese race will be met. Upon that decision the ultimate fate of China depends ; it will have to be settled who is to play the leading rôle there during the next twenty years, and there can be no doubt the Japanese will aspire to that position, supporting their case with strong arguments which will include proximity to China, age-old association with the Celestial Empire, descent from the original Mongol stock, and a better understanding of the Chinese character than is possessed by the white nations. On these grounds, and her own need for expansion, Japan may demand partial or complete trusteeship in China.

What are likely to be the British and American objections to such a development ? Apart from the danger of allowing one nation to enjoy supremacy in the world's greatest economic market, a supremacy which none is likely to yield—there is a further objection that British and American trade with China (worth more than £2,000,000 to Lancashire alone in 1932) would inevitably suffer a further decline as Japan's grip upon the market tightened. Our present trade with China would not survive the closing of the " Open Door," and Britain and America alike would have to find alternative markets elsewhere, a necessity not likely to arouse enthusiasm among the manufacturers affected by the changed conditions.

Nor must the repercussions of further Japanese penetration upon the Chinese themselves be overlooked. Were

Japan allowed to assume control in China her contact with that old and established civilisation would set up a spirit of aggressive nationalism among the Chinese people far transcending anything yet experienced. History proves that such a spirit invariably grows when a once-free people are placed in tutelage, however benevolent the foreign rule may be. Further Japanese encroachment on the Asiatic mainland may strengthen Chinese patriotic sentiment up to the point at which unity is born—unity based upon hatred of Japan.

The Japanese are aware that the future, under such circumstances, may bring complications which would impose a severe strain upon their resources and ability, and the possibility of being involved in continued friction with China.

On the other hand, China might co-operate with Japan and hope thus to share the spoils of yellow hegemony in the Pacific; we do not, however, consider this within the bounds of possibility. The Chinese have never, at any period of their history, shown a desire to form an alliance with their neighbours; indeed, they have regarded them with the contempt reserved by the oldest civilisation in the world for the *nouveau riche* among nations.

Assuming, however, that Japan was enabled to expand on the mainland, and to undertake the task of regenerating China—whether as a definite "protectorate" or not matters little, for the whole benefits of any progress made would accrue primarily to Japan—what would be the probable course of history arising out of that daring experiment?

In the initial stages, and during the period of transition leading up to the moment when Japanese domination would be so secure as to be unquestioned, deference would be paid to Western interests, and the claims of foreign nationals would receive the consideration to which they are entitled, but we could not hope for that consideration to be continued indefinitely. As Manchuria has shown,

the Japanese are not only favourably placed to arrange, but also adepts at the art of ensuring, that an increasing share of the wealth of territories over which they share control shall flow back to Tokio.

There are arguments that might be advanced in support of Japanese predominance in the northern Pacific, providing it could be carried out in the interests of all trading nations, and with a sincere desire and determination to observe the policy of the " Open Door." The present chaos and anarchy prevalent throughout China would end, comparative order and tranquillity would be restored over areas where the bandit now reigns supreme, and economic and agricultural development is impossible.

The lion's share of the profits accruing would go to Japan, and with some justification, for strenuous and continuing labour would be needed, and a heavy financial outlay involved, in accomplishing the task. But more than that, China would become rapidly " Japanised," and the labour and sacrifice of every kind sunk in that country by the white nations would go by the board.

What, in the face of these considerations—and the further unknown factor of the effects of Japanese domination upon China herself—should be Britain's attitude in the event of such a challenge arising in the near future?

It seems clear that the wisest policy for this country to pursue, alike in her own interests and in those of the Chinese as long as there is hope of China setting her house in order, is for Great Britain and the United States to reaffirm the present policy of the " Open Door," and a guarantee of the territorial and administrative integrity of China. Any deviation from that clear course would raise problems of the gravest import to the world and imperil the future peace of the Pacific. Attempts, whether on the part of Britain or the United States, to adopt an independent policy must react against their permanent interests.

Both nations are peculiarly fitted to play their parts in the regeneration of China so that she may eventually stand united and able to protect her own interests. Foreign capital and scientific aid will be essential when once the large-scale development of her natural resources becomes possible, and both are in a better position to afford this aid than Japan. Under their guidance, and with Japanese assistance, the development of Chinese trade and industry could be rapid, to the benefit of the whole world.

That task we cannot shirk. Britain, no less than America, could not permit Japan to become supreme in China unless and until we had reconciled ourselves to the inevitable aftermath of such a capitulation—the withdrawal of Britain from the Western Pacific. Nothing less than this is the ultimate issue raised by the fact that the Japanese flag is now flying over the Chinese city of Shanhaikwan.

It remains true, however, that from the point of view both of territorial possessions and national sentiment, differences are more likely to arise between the United States and Japan over Tokio's "expansionist" policy, than between the Japanese and any other nation.

War in the Pacific—whether between Japan and the American Titan or against any other Great Power—could achieve only the defeat and overthrow of modern Japan. No one competent to express an opinion on the real strength of the Japanese position, and the relative forces possible opponents could range against her, can doubt the truth of that statement. It is one of the paradoxes of history that Japan, the nation which has most to lose by an appeal to arms, should so frequently have evoked the spectacle of war as a possible incident on her road to power.

Why, then, does Tokio indulge in "sabre-rattling exercises"? Is the Japanese threat to continue her policy of expansion by war if necessary due to deliberate misjudgment of her national strength and weakness? Or is

it Japan's biggest bluff? For the answer we must turn to history, which shows a direct relation existing between the naval strength of a nation and its foreign policy. The Foreign Office with a powerful fleet at call is inclined to assume that national aspirations can be achieved by the use of force. Armaments become the instrument of national policy.

The United States harbours no aggressive designs in the Pacific, and has no territorial ambitions. She asks for no exclusive American "spheres of influence," and wishes only to assure uninterrupted continuation of trade with China for all nations. Her sole strategic aim regarding the Pacific is a desire that no nation interested therein shall become powerful enough to challenge these other aims. The United States would fight, if she ever fights at all, only in defence of the *status quo*, which includes the territorial integrity of China.

Japan, on the other hand, and as we have shown, is a young nation sure of her own great destiny, and desperately needing more of everything requisite to the making of a great Power—more land, raw materials, markets for her goods, greater prestige, enabling her to become the overlord of the Pacific. The psychology of her people, as the wave of patriotism and nationalist feeling aroused by recent events in Manchuria has shown, causes them to support these aims as the minimum demanded by right and justice.

Taking her place among world Powers too late to join in the scramble for territory which characterised foreign relations during the nineteenth century, Japan has never been beaten on the field of battle. She has defeated one white race, and firmly believes that she could oppose any other that stood in her path. Hence the danger which Japanese policy presents to the peace of the Far East, for it appears only too probable that nothing short of a national defeat will convince the military party controlling the

policy of Japan that her armed forces are not invincible. From this arises the Japanese reverence for those who control the national forces, and the view that the Army is not an instrument obeying the orders of a civilian government, but "a member of the national family, silent it may be for decades, but entitled to a voice in national emergencies, and more trustworthy than politicians."[1]

A trial of arms with the might of the United States, as we have said, could have only one termination. Such a conflict would end with Japan humbled and impoverished —and with all her pressing problems unsolved. Indeed, the close of the dream of domination in the Pacific would raise them in a form so acute that it would be doubtful, at least, whether the Imperial dynasty could be preserved in the face of such a national disaster.

From the point of view of the world at large, a war curbing the pretentions of Japan might clear away the Pacific thunder-clouds, which have made the atmosphere oppressive in that region during recent years. The defeat of Japan would establish the supremacy of the United States in Pacific waters, and afford additional security to Australasia and the Dutch East Indies. But in the resultant uncertainty which would follow such a violent derangement of Pacific stability, the world might well discover, as it discovered after 1918, that in modern warfare there are no victors.

For Japan herself, the effects of defeat would be so disastrous that her national progress would be set back for generations. China would seize the opportunity to throw off the interests already secured for Japan under the "unequal treaties," and the "Manchukuo State," child of Tokio, would speedily disappear from the scene, either China or Soviet Russia succeeding to Japanese interests. Korea would undoubtedly attempt to secure her independence, and Japan might not be able to hold that colony.

[1] *The Times*, May 27, 1932.

Reeling against these and other blows at her national strength and pride, Japan would have to struggle hard for survival. We believe that she would survive, that the energy and patriotism of her people would prove equal to the colossal tasks which survival would mean, but it would be against difficulties of so great a nature—economic, political and strategic—that they would drag her down to the rank of a fourth-class Power.

The issue raised by Japan's policy of expansion is, therefore, clear. She can carry out that policy, involving an increased hold on the mainland of Asia, only at the risk of having to defy the Western Powers and the United States. Despite the infinite patience those nations have displayed during the discussions at Geneva, which dragged on for seventeen months before the League reached the point of expressing any opinion regarding Japanese aggression in Manchuria, it is impossible to believe that Japan would be permitted to continue her encroachments in China without ranging Britain and the United States against her.

Japan, in a word, has everything to gain by pursuing a " watching game " in the Pacific, and everything to lose by precipitating a conflict. Mainly because of this patent fact, the shadow of the " inevitable war," so often predicted before 1914, had retreated during the years immediately before 1931. From the Japanese point of view there is every reason why that war must never eventuate—every reason, that is, except the one which may yet plunge Japan headlong in the gamble which can only end in her defeat.

The reason is the apparent determination of the military junta controlling foreign policy in Japan to ignore the possible gains of neighbourliness, or even peaceful penetration, and to refuse to modify the present programme of empire-building, even if it leads directly to war. Japan may decide the gamble to be worth while, for three reasons—to achieve the aim of a " Japanese Monroe

Doctrine " in the Pacific, to forestall a possible alliance of a communised China with Soviet Russia, or to secure control of the Chinese market and sweep away anti-Japanese boycotts. Whichever reason provides the impelling force for the Pacific war, if it comes, there will be one other factor urging Japan on. That is Japan's urgent and growing need for access to the raw materials which China possesses in such abundance, and for " room to breathe." *Japan must expand or burst.* Therefore, relentlessly, she has begun to expand in the only region open to her—at the expense of China. The only sure prediction of the future is that nothing will check that expansion, or save a weak and divided China, but the direct intervention of other Powers.

Since the dawn of history, nations faced with insoluble internal problems have sought relief and safety by embarking upon external adventures. Few of the nations which have used this mode of escape faced issues as desperate as those confronting Japan to-day. Therein lies the danger; no matter how great the odds against her, so long as her military rulers can convince themselves that there is a possibility of achieving the dream of a Japan supreme in Asia, they will consider the hegemony of half the world worth the risk involved in attempting to seize it.

From a close acquaintance with representative Japanese thought, and public opinion in that country, we have reached the definite conclusion that the risks are already forgotten. Clear thinking has given place to the war-temper; the army is idealised and the smallest achievement of the individual Japanese soldier is labelled " heroic." To translate this wave of jingoism into political terms is the task of the new Fascist Party, backed by the all-powerful military class. In the past, the attitude of Japanese governments towards China and other nations has varied between reconciliation and threats. To-day no statesman who dared to question the wisdom of recent events in

Manchuria, or the policy of which the conquest of that region formed a part, could survive the storm of public opprobrium which would ensue. He would be fortunate to escape assassination at the hands of some fanatic, drunk with the faith in the future glories awaiting Japan in the mists of time.

The military Moloch has created this monster by past propaganda ; now it must bow before the weight of public opinion, and that of the army itself, or be swept away by those who brook no interference or compromise. In these circumstances, and without adopting an alarmist view of the immediate future, the probability of war—an unnecessary, futile war forced upon the world by the military party in Japan—must be considered among other possibilities.

Assuming that the danger can be averted, either by modification of the aims advanced at Tokio, or through a disinclination of other Powers to oppose Japan's advance towards dominance in the Pacific, it seems probable that the Chinese provinces of Chihli, Shansi, and Shantung may follow Jehol and Manchuria into the maw of Japan, making that nation the supreme overlord over all Northern China. Once this further step forward has been achieved, Japan could afford to consolidate her strength. Events after that would depend upon whether or not the loss of Northern China united the rest of China against the invader, and on the attitude of other Powers, including Russia.

Even assuming that the rest of the world were content to remain spectators of a Japan carving an empire out of the decaying corpse of China, an assumption implying dramatic changes in the policy of several nations, including the United States, it by no means follows that Japan would succeed in her aim. It must be remembered that the deep antagonism towards the Japanese in China is no new growth ; it has been a source of friction in the Far East

since the two nations first made contact with each other. China has been invaded many times in her chequered history, and always, in the end, it was China that remained united and secure in her very vastness, and the invaders who disappeared off the scene.

In the past a great Korean kingdom was set up by the sword. It lasted but a few years before the conquerors were glad to regain their native homes. Even in Manchuria itself it is by no means certain that the factor which will finally decide the destinies of that land will be the twenty millions of Chinese farmers who till the soil—and who cannot be violently dispossessed and driven out. Puppet governments may come and go, but the Chinese, by their determination to remain Chinese, may win where troops would lose. Theirs is the soil; to them it remains China. They and their ancestors have seen too many conquerors come and go to care overmuch if, for a few years or a few decades, a strange flag flies over the cities to which they despatch their goods for sale. "China will not always be weak. We can wait," said one Manchurian farmer when asked his opinion of the new Manchukuo Government.

Supposing, however, that the League of Nations, whether faced with Japanese withdrawal or not, decided to end the thinly-veiled Japanese protectorate over this region of China by methods that are quicker than waiting upon the patience of the Chinese? What action could the League take?

Lord Lytton, chairman of the League Commission which drew up the famous report, has outlined the alternatives in the following words:

"If the League finds that China has been the victim of aggression, China is entitled to the assistance of the League in obtaining redress. The whole problem, therefore, is in what form can that assistance be most effectively given. The difficulty of solving this problem constitutes

the danger to the future of the League and to the maintenance of world peace on a basis of a corporate security.

"Let the alternatives be stated from the most to the least drastic of the possible measures:

1. The League could undertake concerted naval and military operations to impose its will by force.
2. The League could enforce its will by an economic blockade, which would have all the effect of an operation of war, and would be treated as such by Japan.
3. The League could give material assistance to China and refuse it to Japan, but this or any other departure from neutrality might be made a *casus belli* by Japan."

It appears certain that in the rather unlikely event of any of these alternatives being actually adopted by the League, the effect would be to precipitate a conflict which that body has taken such pains to avert. It is extremely improbable that the League would consider it advisable to take active measures in the special circumstances existing in Manchuria. It is more likely that Geneva, having recorded its protest, will leave events to take their course. Yet it is by no means so certain that the hands of the two Powers most vitally concerned with the future of China—Great Britain and the United States—may not be forced, and the necessity for action against Japan imposed upon them, if not now, then in the near future, by the actions of Japan herself.

Even while the statesmen of the world have been striving to effect a settlement of the outstanding issues in Manchuria, events of a different nature have been underlying the growing importance of the Chinese market to those nations which have always supported the policy of the "Open Door." Between 1930 and 1933 more than 2,000,000 coolies in the Yangtse Valley have been converted from rice-eaters into wheat-eaters. Whether this

change is due to the record low world prices for grain, or to the increasing demands of China's growing population, which can no longer be satisfied by home rice production, in the present state of internal communications is not clear.

What is clear is the effects of the dietary change involved upon the fortunes of the Australian wheat-growers. Australia is already hoping that the recent increase of wheat shipments to Chinese ports will prove a permanent new market for her grain, and since Asia generally is ceasing to be self-supporting in vital foodstuffs, there is ground for hope that a world blessed with an abundance of food may find an outlet in the needs of the millions of yellow men. Both Australia and Russia are interested in this possibility—to both the maintenance of the "Open Door" policy is more than ever essential.

Short of the power necessary to remodel the world to her satisfaction, Japan will be wise if she modifies her aims and rescues herself from the bondage of slogans concerning "Asia alone" and "giving the West notice to quit." Along that road lies only disaster. Yet that is the road down which the Japanese people, blissfully ignorant of the risks involved, have been travelling since 1931—and before. Will Tokio, even at the eleventh hour, and when only a spark is needed to set the Far East alight, see the danger, and recognise the wisdom of advancing in step with other nations, and not in opposition to world opinion? Upon that question depends the future of the Pacific. None but the Japanese militarists who are in control at Tokio can answer.

War in the Far East, if it comes, will be a costly adventure for any nation involved; it will be far more costly for Japan. That she can repeat the success gained in the Russo-Japanese War against any other white nation likely to accept the responsibility of checking her progress in China, is beyond the realm of possibility.

Given moderation, on the other hand, Japan can achieve

much by a genuine *rapprochement* with China, and peaceful penetration of Eastern markets. Her well-equipped and expanding industries, the energy and enterprise of her people, low costs, and proximity to the trade markets of the future—all are in her favour if she chooses the path of peace.

Will the Tokio militarists call a halt while there is yet time, and permit their industrialists to set out to conquer Asiatic markets in friendly rivalry with other Powers?

Happily, there is one all-important factor in Japan's position which plainly dictates the wisdom of such a course. and may yet impress upon the military party the attractions of peace and goodwill dominating the Japanese Government. This is the question of finance. Japan, as we have shown, is still relatively a poor country. The Manchurian adventure, despite a tendency to make light of the expense involved, has made deep inroads into her national resources, and presents Japan with the prospect of heavy commitments in the future. Perhaps for this reason, there could be detected, in the discussions which took place at Geneva during the opening weeks of 1933, a conciliatory tendency on the part of the Japanese delegates which created the impression that, however firmly Tokio might resist criticism of her Manchurian adventure, Japan was anxious to minimise the risk of a serious break with the Western Powers and the United States. At one point in the debate it was even suggested that in the event of an unacceptable resolution being passed by the League concerning settlement of the Manchurian question, Japan might withdraw her representative from the League Council, but remain a member of the League itself, seeking a direct settlement with China (a "settlement" involving, of course, a continuance of the Japanese occupation) while she continued to interest herself in the work of the League of Nations on other and less controversial questions.

Whether this moderation, following, as it did, the repeated threat of "grave decisions" involving complete withdrawal, will prove to represent "second thoughts" on the part of those who control Japanese policy, remains to be seen. One must assume that even the Japanese, who have not always proved over-punctillious in the observance of international contracts, would not contemplate maintaining contact with Geneva if they intended to carry out further encroachments in China by armed action, and in defiance of the Nine-Power Treaty.

It appears more probable that a survey of their available financial resources, and the prospect of a foreign embargo on loans, may have convinced the Japanese militarists that in modern warfare—however glittering the prizes may be—the bill is always presented, and must somehow be paid.

If Tokio takes that lesson to heart, and decides, while consolidating her position in Manchuria, to extend her growing trade in Eastern markets by every means in her power, the Japanese people will have been rescued from a position of considerable national peril. It would need greater resources than even the energetic Japanese command to make their country the Mistress of the Pacific in opposition to the interests and conscience of the civilised world.

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